The Economic Impact of Extending Marriage to Same-Sex Couples in the District of Columbia

Executive Summary

Extending marriage to same-sex couples will boost the District of Columbia’s economy by over $52.2 million over three years, which would generate increases in local government tax and fee revenues by $5.4 million and create approximately 700 new jobs.

This analysis estimates the impact on business revenue and local government revenues if D.C. were to extend marriage to same-sex couples. We take into account the new legal landscape of same-sex marriage, which includes Massachusetts and Connecticut as marriage destinations for same-sex couples, along with the brief period in which California opened marriage to same-sex couples (June to November of 2008). This analysis precedes the recent expansion of marriage rights in Iowa and Vermont.

We base our conclusion on the following estimates:

- Judging from the experience of states that have extended marriage and civil unions to same-sex couples, such as Massachusetts and Vermont, approximately 1,882 resident couples will marry in the next three years.

- In addition, approximately 12,550 same-sex couples from the rest of the country will come to D.C. to marry. These couples will primarily come from New York, where they are likely to have their marriages recognized, and from high-tourism states based on the District’s tourism data.

The weddings of same-sex couples will generate new economic activity for the District’s businesses:
• Spending by resident same-sex couples on their weddings and by non-resident couples on tourism and their weddings will boost the District of Columbia’s economy by more than $52.2 million in direct spending over the next three years.

• Over the next three years, the direct spending by resident and non-resident same-sex couples will create approximately 700 new jobs in D.C.

Direct spending from same-sex couples on weddings and tourism will generate almost $5.4 million in new revenues.

• Spending on weddings by couples living in D.C., and tourism and weddings by couples from outside of D.C., will generate over $4.8 million in sales tax revenues and hotel tax revenues. This estimate is conservative in that it does not include increased revenues from many other taxes that are harder to estimate, such as D.C.’s property taxes, excise taxes, or taxes on indirect spending or earnings.

• In addition, the weddings from local and non-resident couples will generate approximately $650,000 in marriage license fees for D.C.

Our analysis relies on the same methods that we used in previous studies of the economic and fiscal impact of marriage for same-sex couples on Washington, New Mexico, New Hampshire, California, Connecticut, Colorado, New Jersey, Massachusetts, Vermont, Maryland, and Iowa.
INTRODUCTION

In this study, we engage in a series of analyses to examine the effect of same-sex marriage and wedding spending on the District of Columbia’s economy and budget over the next three years. We take into account that on July 31st, 2008, Massachusetts opened same-sex marriage to out-of-state couples,\(^1\) Connecticut legalized same-sex marriage on October 10\(^{th}\), 2008,\(^2\) and California allowed same-sex couples to marry for a brief period (June to November 2008).\(^3\) This analysis precedes the recent expansion of marriage rights in Iowa and Vermont, however, given the relatively small number of couples that would travel to D.C. from these states the key findings of this report stand.

Our analyses are grounded in the methodology that we used in previous studies of the fiscal impact of marriage for same-sex couples on Vermont\(^4\), as well as New Jersey,\(^5\) Washington,\(^6\) New Mexico,\(^7\) New Hampshire,\(^8\) California,\(^9\) Connecticut,\(^10\) Colorado,\(^11\) Massachusetts,\(^12\) Maryland,\(^13\) and Iowa.\(^14\) Findings from all of these studies suggest that extending marriage rights to same-sex couples would result in a positive net impact on state budgets.

Throughout this report, we estimate the economic impact of weddings conservatively. In other words, we choose assumptions that are cautious from the District’s perspective in that they tend to produce lower revenues given the range of possibilities. Even so, we find that the effect of allowing same-sex couples to marry in D.C. is a gain of $52.2 million to D.C.’s businesses and workers, and over $5.4 million in government revenues over the next three years.
1. **Number of Same-Sex Couples Who Will Marry**

**D.C. Couples**

In order to assess the economic impact of extending marriage to same-sex couples, we must first calculate the number of same-sex couples who will marry in Washington during the next three years. Not all couples choose to enter a legally binding relationship, even when afforded the option. At the very least, the decision is likely to include a weighing of the symbolic value of public and legal recognition of the relationship with the particular rights and responsibilities implied by the legal status of marriage. We draw upon the experience of states that have permitted same-sex marriage or non-marital legal statuses to estimate the number of same-sex couples who will marry in D.C.

Massachusetts is the only state in which same-sex marriage has been legally permitted for over three years. Approximately half of resident same-sex couples married in Massachusetts during the first three years they were allowed to do so as measured by the 2004 ACS. We return to Massachusetts data later in the report to model the pattern of resident marriages in D.C. over three years.

We are also able to gain insight from states that have offered civil unions and domestic partnerships to same-sex couples for over three years—statuses that, though different from marriage, offer some, if not most, of the state-level rights, benefits, and obligations of marriage. In California, there were 48,157 domestic partnerships as of April 2008; thus, approximately 47% of California’s 102,639 same-sex couples have entered into a domestic partnership. In addition, Vermont was the first state to offer “marriage-like” civil unions; there were 1,367 same-sex civil unions as of April 2007, meaning that about 56% of Vermont’s same-sex couples have entered into a civil union.

Based on the experiences of these states along with evidence that same-sex couples prefer marriage over civil unions or any other form non-marital recognition, we predict that 50% (minus those we assume to have married in either Massachusetts, Connecticut, or California), or about 1,882, of D.C.’s 3,839 same-sex couples will marry in the next three years. These couples would include many already registered under a civil union and others seeking legal recognition for the first time.

**Non-Resident Couples**

When marriage becomes available for same-sex couples in D.C., we predict that a number of couples from across the country will also choose to marry in D.C. When same-sex marriage was available in San Francisco, California for one month in 2004, couples came from 46 states and eight countries to marry. Of course, D.C. will have competition from at least two states for non-resident couples seeking marriage. In this analysis, we take into account the fact that California allowed both resident and out-of-state couples to marry from June to November of 2008, and that Connecticut and Massachusetts currently allow same-sex couples to marry regardless of residency. We estimate that in the first three years that same-sex couples are allowed to marry in D.C., 12,550 couples from other states will travel to the District to marry. We base our estimate on the following model.

First, we establish three categories: (1) New York, (2) high-tourism states, and (3) the remaining states.

(1) We predict that same-sex couples living in New York will have the most incentive to travel to D.C. to marry based on the following assumptions: i) their relationships will be recognized by their state when they return home, and ii) an alternative to recognition of their relationships, such as civil unions or
domestic partnerships, is not available in their home state. According to the American Community Survey three year estimates (2005-2007), 52,279 same-sex couples live in New York. As in D.C., we assume that 50% of these couples will want to marry in the short-term.

We adjust this estimate for those New York couples likely to have married in California, Massachusetts, Connecticut, or Canada. After subtracting the 7,174 New York couples that may have already married, 18,966 remain.

Finally, we recognize that many of these 18,966 couples will opt to marry in neighboring Connecticut or Massachusetts due to proximity, familial ties, or personal preference. To account for this competition, we use national tourism data to quantify the tourist attraction of the District of Columbia in relation to Connecticut and Massachusetts. After we adjust for the presence of Connecticut and Massachusetts as two other marriage destination states to give a final estimate of 4,846 couples likely to travel to D.C. to marry.

(2) For the rest of the country’s same-sex couples, we assume that marriages in D.C. will not be recognized by their home state, either at all, or in the case of New Hampshire, not as a marriage. This situation will deter more couples from traveling to D.C. to marry. However, as the one month in 2004 that marriage was offered in San Francisco demonstrated, many couples will travel to marry for symbolic and emotional reasons.

D.C. is likely to be the destination of choice for at least some of those couples. We assume that travel costs and the attraction of D.C. will be less of a deterrent for individuals from already established high-tourism states: Pennsylvania, Georgia, North Carolina, Virginia, and Illinois. According to the American Community Survey three year estimates, 123,875 same-sex couples live in these states.

We estimate that 25% of these couples, or 30,969 couples, will seek marriage. We then subtract those couples assumed to have already married, 6,022, which leaves 24,947 couples that would seek marriage out-of-state. After adjusting for the tourist draw of Connecticut and Massachusetts, we estimate that 4,377 couples from these states will prefer to marry in D.C.

(3) For the rest of the country, we conservatively estimate that 5% of the couples, or 27,623, would be willing to travel to marry. We then take into account couples likely to go to an alternative marriage destination state to give a final estimate of 4,846 couples likely to travel to D.C. to marry.

We exclude couples from Massachusetts and Connecticut altogether, given that those states have already extended marriage rights to same-sex couples. We also exclude Rhode Island based on its proximity to Massachusetts and the fact that courts in Massachusetts determined, before the repeal of the “1913 laws” that that same-sex couples from Rhode Island could marry there.

We include states with domestic partnerships and civil unions because some individuals with these benefits would still choose to marry in order to receive the added social and emotional benefits that might be associated with marriage. In addition, in New Hampshire, marriage will also be recognized as a civil union without the need to re-register for that status.

In Table 1, we present the estimated numbers of non-resident and resident same-sex couples who would marry in D.C. However, this estimate is conservative since we do not take into account couples who were not counted in the American Community Survey or any couples living in foreign countries who might wish to get married.

12,550 same-sex couples from other states will travel to D.C. to marry in the next three years
### Table 1: Non-Resident Same-Sex Couples Who Will Marry in D.C. (First Three Years)

<table>
<thead>
<tr>
<th></th>
<th>Total Same-Sex Couples</th>
<th>Couples Who Will Marry</th>
<th>Adjusted for Those Previously Married</th>
<th>Tourism Adjustment</th>
<th>Estimated to Marry in D.C.</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>52,279</td>
<td>26,140</td>
<td>18,966</td>
<td>0.18</td>
<td>3,327</td>
</tr>
<tr>
<td>High-Tourism</td>
<td>123,875</td>
<td>30,969</td>
<td>24,947</td>
<td>0.18</td>
<td>4,377</td>
</tr>
<tr>
<td>Other States</td>
<td>552,461</td>
<td>27,623</td>
<td></td>
<td></td>
<td>4,846</td>
</tr>
<tr>
<td>Total Non-Resident</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12,550</td>
</tr>
<tr>
<td>D.C.</td>
<td>3,839</td>
<td>1,920</td>
<td>1,882</td>
<td></td>
<td>1,882</td>
</tr>
<tr>
<td>Total All Couples</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14,432</td>
</tr>
</tbody>
</table>
The extension of marriage rights to same-sex couples will generate economic gains for D.C. businesses, generating tax revenues for state and local governments. Weddings create economic activity as well as jobs, providing a boost to the economy. Forbes magazine projects that if same-sex marriage rights were granted nation-wide, same-sex weddings would generate $16.8 billion dollars in expenditures, adding significantly to America’s annual $70 billion wedding industry. Another estimate concludes that gay marriage will generate a billion dollars per year in spending in the United States.

For many years, analyses of other states’ consideration of opening marriage to same-sex couples have argued that the first state or states to do so would experience a wave of increased tourism from out-of-state couples that would bring millions of additional dollars in revenue to state businesses. In the spring of 2004, the issuance of gay marriage licenses in Portland, Oregon and San Francisco, California provided support for these predictions. The actual experience of businesses in Portland and San Francisco demonstrated that allowing same-sex couples to marry does in fact generate tourism and additional revenue for businesses.

In fact, as noted earlier, same-sex couples from forty-six states and eight countries traveled to San Francisco to get married during the one month that the city issued marriage licenses. Furthermore, California’s wedding-related businesses, in just the few months in which the state wed same-sex couples, experienced a significant boost.

Estimates of Massachusetts’ potential gain from out-of-state couples coming to the state to marry have exceeded $100 million. However, until 2008, the Supreme Court of Massachusetts had interpreted a set of 1913 Massachusetts laws to prohibit out-of-state gay and lesbian couples from marrying in Massachusetts unless they lived in a state, which has a public policy that would support the recognition of their marriages. With the repeal of the “1913 Laws” and the recent decision of the Connecticut Supreme Court, Connecticut and Massachusetts are poised to take full advantage of the same-sex tourism and wedding windfall. If D.C. extended marriage to same-sex couples, it could share in that windfall if it acts soon.

In this section, we estimate the potential economic impact of weddings and tourism by same-sex couples. By allowing same-sex couples to marry—regardless of residency status—D.C.’s businesses will experience a large increase in wedding and tourism revenue that will also result in an increase in state and local government revenues. Based on our analysis, we estimate that allowing same-sex couples to wed in D.C. could result in $52.2 million in additional spending on weddings and tourism in the District over the next three years, creating approximately 700 new jobs and resulting in additional state and local revenues of $5.4 million. To put these figures in context, $4.4 billion tourist dollars were spent in D.C. in 2007, supporting 71,592 jobs and generating $954 million in local and federal tax revenues.

Non-Resident Couples

In order to estimate tourism expenditures derived from the 12,550 non-resident couples that we estimate will likely marry in D.C. over the next three years, we draw on D.C. tourism data that indicate the average per person per trip spending for D.C. tourists to be $294.00. We estimate, then, that couples will spend an average of $582.00 on travel-related expenses during their stay in D.C. Here we are assuming that these tourists will choose to stay in D.C. rather than in the suburbs.

In addition to tourism expenses, spending will be generated by the wedding preparations.
themselves, including items such as ceremonies, meals, parties, transportation, flowers, photographs, and other expenses. According to The Wedding Report, a wedding industry research group, the 2008 cost of a wedding in the United States was $21,431, a figure 24% lower than original estimates because of couples’ decreasing spending during the recession.42 (In this report we draw on data on wedding costs in D.C. that are also adjusted for this recession-induced drop in spending.) We conservatively assume that non-resident couples would spend less, on average, than in-state couples on weddings, given the challenges of planning a wedding from another state and the travel costs already considered.

Nonetheless, non-resident same-sex couples would typically spend more than the average tourist, as they will likely purchase accommodations, meals, clothing, flowers, gifts, and other wedding-related items. We also expect additional spending by friends or family members who might accompany the couple, which is spending not included in the average wedding cost or in the estimates in this report. Therefore, we conservatively assume that the additional wedding spending by non-resident couples will be one-tenth of the typical wedding expense, or $2,143.

This conservative estimate also reflects our assumption that many couples may have already had a civil union or other commitment ceremony and that same-sex couples may be less able to rely on the resources of their parents and family for wedding expenditures. We also use this conservative estimate to account for the fact that non-resident couples may split their expenditures between D.C. and their home state.

Thus, we estimate wedding and tourism spending at $2,731 per couple for all non-resident couples marrying in D.C. Multiplying our estimate of non-resident couples by this figure, we estimate that extending marriage to non-resident same-sex couples will boost the state economy by approximately $34.3 million over the next three years.

Next, we estimate state and local tax revenues from spending by non-resident same-sex couples. We use D.C.’s sales tax rate of 5.75% and the District’s hotel tax of 14.5% to estimate that spending by non-resident couples will generate more than $3.8 million in tax revenues.43

These taxes only capture the most direct tax impact of increased tourism; they do not include D.C.’s other taxes, property taxes, excise taxes, nor do they include increased taxes from earnings. Businesses and individuals will also pay taxes on the new earnings generated by wedding spending, providing a further boost to the budget.

**D.C. Couples**

We estimate that 1,882 of D.C.’s same-sex couples would choose to marry if permitted (See Section 1 above). The weddings of these resident couples would typically be larger than those of non-resident couples, given that they will be better able to plan a large wedding, and their friends and families are more likely to be local. However, same-sex couples in D.C. may have already held ceremonies for some previous legal recognition and may receive less financial support from their parents and other family members to cover wedding costs. Additionally, only spending that comes from couples’ savings would truly be “new spending” for the State’s businesses, rather than money diverted from some other expenditure. Accordingly, we assume that same-sex couples will spend only 25% of the amount that different-sex couples in D.C. ($38,180),44 or $9,545. This figure has been adjusted for decreased spending induced by the recession according to the Wedding Report. The total for 1,882 couples would come to roughly $18.0 million in new wedding spending.

We do not estimate any additional tourism spending from D.C. couples. But couples might invite friends and family members who live in other states to attend weddings in D.C., adding to tourism expenditures. Using the D.C. sales tax rate, this direct wedding spending by resident couples will generate an additional $1.0 million in sales tax revenues over the three years.
Table 2 adds the spending by resident and non-resident same-sex couples to estimate a total of $52.2 million in wedding and tourism spending over the first three years, generating approximately $4.8 million in additional tax revenues for state and local governments.

Table 2: Expenditures on D.C. Weddings and Tourism by Same-Sex Couples (First Three Years)\textsuperscript{45}

<table>
<thead>
<tr>
<th></th>
<th>Couples Marrying in D.C.</th>
<th>Wedding and Tourism Spending per Couple</th>
<th>Total Spending per Group (millions)</th>
<th>State and Local Tax Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>3,327</td>
<td>$2,731</td>
<td>$9.1</td>
<td>$996,876</td>
</tr>
<tr>
<td>High-Tourism</td>
<td>4,377</td>
<td>$2,731</td>
<td>$12.0</td>
<td>$1,311,271</td>
</tr>
<tr>
<td>Other States</td>
<td>4,846</td>
<td>$2,731</td>
<td>$13.2</td>
<td>$1,451,928</td>
</tr>
<tr>
<td>D.C.</td>
<td>1,882</td>
<td>$9,545</td>
<td>$18.0</td>
<td>$1,033,016</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$52.2</td>
<td>$4,793,091</td>
</tr>
</tbody>
</table>
3. MARRIAGE LICENSE FEES

The weddings of both in-state and non-resident same-sex couples will also generate revenues for counties through marriage license fees. The fee for a marriage license in D.C. is $45.00.\textsuperscript{46} Table 3 multiplies this fee by our estimates of the number of resident and non-resident same-sex couples who will marry in D.C. during the first three years. The result is that same-sex marriages will generate $650,000 from these fees.

Table 3: D.C. Revenues for Marriage License Fees from Same-Sex Couples (First Three Years)

<table>
<thead>
<tr>
<th>Couples Marrying in D.C.</th>
<th>Marriage License Fee</th>
<th>Total Fees Generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Resident</td>
<td>12,550</td>
<td>$45</td>
</tr>
<tr>
<td>D.C.</td>
<td>1,882</td>
<td>$45</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Of course, some of the revenues of these fees will be offset by the costs of processing the additional marriage licenses. However, other states that have extended marriage, civil unions, or domestic partnerships to same-sex couples have experienced very small increases in administrative costs.\textsuperscript{47}
4. **Summary and Conclusions**

Table 4 shows our estimate of the total revenues for D.C. during each of the first three years that same-sex couples are allowed to marry. We use the experience of Massachusetts to model the number of same-sex couples who will marry in D.C. in each of the next three years. In Massachusetts, 64% of those couples married in the first year, 21% married in the second year, and 15% married in the third year. For non-resident couples, we assume that the need to travel and plan a trip will space out their weddings more evenly. Accordingly, we assume that one-third of those couples will come to the state in each of the first three years that D.C. extends marriage to same-sex couples.

**Table 4: Summary of Fiscal Effects (First Three Years)**

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Revenue from Non-Resident Couples</td>
<td>$1,253,358</td>
<td>$1,253,358</td>
<td>$1,253,358</td>
<td>$3,760,075</td>
</tr>
<tr>
<td>Tax Revenue From D.C. Couples</td>
<td>$658,107</td>
<td>$221,483</td>
<td>$153,426</td>
<td>$1,033,016</td>
</tr>
<tr>
<td>License Fees from Non-Resident Couples</td>
<td>$188,252</td>
<td>$188,252</td>
<td>$188,252</td>
<td>$564,756</td>
</tr>
<tr>
<td>License Fees from D.C. Couples</td>
<td>$53,958.79</td>
<td>$18,159.63</td>
<td>$12,579.51</td>
<td>$84,698</td>
</tr>
<tr>
<td>Total tax and fee revenue</td>
<td>$2,153,676</td>
<td>$1,681,253</td>
<td>$1,607,616</td>
<td>$5,442,545</td>
</tr>
<tr>
<td>Total Wedding Spending From D.C. Couples</td>
<td>$11,445,334</td>
<td>$3,851,885</td>
<td>$2,668,272</td>
<td>$17,965,491</td>
</tr>
<tr>
<td>Total Wedding and Tourist Spending From Non-Resident Couples</td>
<td>$11,425,327</td>
<td>$11,425,327</td>
<td>$11,425,327</td>
<td>$34,275,982</td>
</tr>
<tr>
<td>Total Economic Impact</td>
<td>$22,870,662</td>
<td>$15,277,212</td>
<td>$14,093,599</td>
<td>$52,241,473</td>
</tr>
</tbody>
</table>

Using U.S. Census Bureau data about same-sex couples and drawing on the experience of Massachusetts and other states, we estimate that during the first three years that marriage is extended to same-sex couples in D.C.:

- Approximately 1,882 couples residing in D.C. will marry.
- In addition, approximately 12,550 same-sex couples from other states will come to D.C. to marry.
- D.C.’s wedding and tourism-related business sectors will see an increase of $52.2 million in direct spending over the next three years.
- This direct spending will support approximately 700 new jobs in travel-related business in D.C.
• The direct spending from same-sex couples on weddings and tourism will generate $4.8 million in tax revenues.

• In addition, the weddings of resident and non-resident couples will generate $650,000 in marriage license fees.
**ABOUT THE AUTHORS**

**Christopher Ramos** studies social inequality through a lens of race, class, gender, and sexual orientation.

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REFERENCES

17 E-mail from Special Filings/Domestic Partnership Unit, Secretary of State, California, to Christian Cooper (April 4, 2008) (reporting that 48,157 same-sex couples have entered a domestic partnership in the state). Though domestic partnerships are available to different-sex couples under specific circumstances, we conservatively assume that 95% of domestic partners in California are same-sex couples.
§457

27

 § 457

2009).

We then divide people on a stay, regardless of the length of their stay. This measure generally equates to the number of visitors.

average (2003

26

(2008).

We adjust for previous marriages by first dividing our estimate of couples that would have traveled to another state to marry within three years, for D.C. that percentage is 5%, a percentage we apply to states not within close proximity to a marrying state (as we do in the next section for "other" states). We then divide this figure by 3 to obtain an annual number (we assume that the distribution of out-of-state couples will be dispersed evenly throughout the three year period). We then divide this figure by 12 to calculate a monthly estimate. Finally, we multiply by 7 to estimate the number of couples that have wed in the last 7 months (Massachusetts opened marriage on July 31st 2009). Model accurate as of the end of February 2009.


25 Supra note 20. We base the percentage of New York same-sex couples who have married in Canada on data from British Columbia that shows that 4% of the same-sex couples from Washington State have traveled to British Columbia to marry. No similar data is available from Ontario and Quebec. See British Columbia Ministry of Health, Vital Statistics Agency, Annual Marriage-related statistics reports 2004, 2005, and 2006 at http://www.vs.gov.bc.ca (last accessed on June 19, 2008).


28 Washington DC’s Visitor Statistics. Destination DC.

We apply the meal and room tax to the percentage of each couple's tourism spending that is likely to be spent on accommodations and restaurant meals, or 36%. See supra note 38.


Numbers may differ slightly due to rounding.


48 For a more detailed explanation of this calculation see Supra note 19 at 17.

49 Numbers may differ slightly due to rounding.