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The Economic Impact of Marriage Equality Five Years after Obergefell v. Hodges

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EXECUTIVE SUMMARY

The U.S. is home to an estimated 513,000 married same-sex couples. Over half of these couples have married since the U.S. Supreme Court’s decision in *Obergefell v. Hodges*, which extended marriage equality nationwide in June 2015.

An estimated 293,000 same-sex couples have married since *Obergefell*. As these couples married, their weddings generated an economic boost for state and local economies nationwide. We estimate that wedding spending by these couples and their out-of-state guests has boosted state and local economies by an estimated \$3.8 billion and generated an estimated \$244.1 million in state and local sales tax revenue since the *Obergefell* decision. This spending supported an estimated 45,000 jobs for one full year.

Table 1. Economic impact of marriage equality since *Obergefell*

ECONOMIC IMPACT OF MARRIAGE SINCE <i>OBERGEFELL</i>	TOTAL
Marriages by same-sex couples	293,000
Wedding spending by same-sex couples	\$3,223,000,000
Out-of-state guest spending for weddings of same-sex couples	\$543,800,000
Total combined spending	\$3,766,800,000
Total sales tax revenue	\$244,100,000

BACKGROUND

In June of 2015, the U.S. Supreme Court ruled in *Obergefell v. Hodges*¹ that the Constitution guarantees 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 and 18 states had just granted same-sex couples the right to marry in the prior year.²

This study estimates the economic impact of same-sex couples' weddings that have taken place in the five years since the *Obergefell* decision. 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.³

NUMBER OF COUPLES WHO HAVE MARRIED

In June 2015, when the Supreme Court issued its decision in *Obergefell*, there were an estimated 242,000 same-sex married couples in the U.S. The number of married same-sex couples has more than doubled since then. An estimated 513,000 same-sex couples are married as of March 2020.

We estimated the number of same-sex couples who were married each year from June 2015 through 2018 based on analysis of data from the 2015-2018 American Community Survey (ACS).⁴ Data from the 2019 and 2020 ACS are not yet available. As a result, we estimated the number of same-sex couples who were married between January of 2019 and March of 2020 based on forecasts from the ACS estimates from 2015-2018.⁵ We are unable to estimate the impact that the COVID-19 virus will have on the number of weddings and the scope of the celebrations that will take place through June 2020, so we have limited our analysis to the first quarter of the year.⁶

While the American Community Survey provides data on the number of married couples in any given year, the survey does not provide separate information about the number of couples who have divorced. Thus, the estimates of the number of married couples do not fully represent the number of marriages that have taken place from year-to-year because the figure accounts for the offset from divorces. Williams Institute research suggests that

¹135 S. Ct. 2584 (2015).

²David Johnson, *This Map Shows How Gay Marriage Spread Across the United States*, TIME.COM (June 26, 2015), <https://time.com/3938717/supreme-court-gay-marriage-map/>.

³All state-level reports estimating the economic impact of marriage are available here: <http://williamsinstitute.law.ucla.edu/economic-impact-reports-by-state/>.

⁴Data from ACS were used to estimate the total number of couples married. In addition, data from the Gallup Daily tracking survey were used to estimate the percentage of same-sex couples who married in the first half of 2015 and those who married in the second half. The percentages were applied to ACS data to determine the number of same-sex couples who were married before *Obergefell* was decided and the number who married by the end of 2015.

⁵An automated integrated moving average (Arima) model with a one-year lag was used to generate the 2019 and 2020 estimates. Data were log-transformed during model estimation procedure and then estimates were back transformed. The forecast package (v. 8.11) was used in conjunction with R statistical software (v. 3.5.3).

⁶Research conducted by The Wedding Report in March 2020 suggests that 25%-30% of weddings due to take place in 2020 will be cancelled or postponed. See Matt Gross, *Over Half of Americans are Postponing Weddings—Till When, Few Know*, BLOOMBERG.COM (Apr. 1, 2020), <https://www.bloomberg.com/news/articles/2020-04-01/should-i-cancel-my-wedding-how-coronavirus-disrupts-the-industry>.

same-sex couples dissolve their relationships at the rate of 1.1% per year, slightly lower than the dissolution rate for different-sex couples.⁷ In order to estimate how many couples have married each year since *Obergefell*, we applied the divorce rate (1.1% annually) to the number of couples who are married in a given year to estimate how many couples divorced that year.⁸ We then added the estimated number of divorces to the number of married couples reported for the year to determine the number of marriages that occurred in the year.

Based on these calculations, we estimate that 293,000 same-sex couples have married since the *Obergefell* decision.

DIRECT WEDDING SPENDING

The 2016 Survey of Contemporary Couples & Current Wedding Trends found that same-sex couples spent an average of \$11,000 on their weddings, compared to \$15,000 for different-sex couples.⁹ The survey included over 1,400 respondents who were engaged or recently married and took into account all types of weddings, from small ceremonies to large celebrations.

Applying the average spent per wedding to our estimate of the number of same-sex couples who have married since June 2015 (293,000), we estimate that direct wedding spending by same-sex couples has generated an economic boost of \$3.2 billion nationwide since *Obergefell*.

SPENDING BY OUT-OF-STATE GUESTS

In 2008, a Williams Institute 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 between 2015 and 2020 also had an average of 16 out-of-state guests at their weddings.¹¹

In previous Williams Institute reports estimating the economic impact of marriage,¹² 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 out-of-state wedding guest would purchase food and lodging for one day and one night, and would share a hotel room with one other guest.

⁷M.V. LEE BADGETT & CHRISTY MALLORY, PATTERNS OF RELATIONSHIP RECOGNITION FOR SAME-SEX COUPLES: DIVORCE AND TERMINATIONS 1 (2014); M.V. LEE BADGETT & JODY L. HERMAN, WILLIAMS INSTITUTE, PATTERNS OF RELATIONSHIP RECOGNITION BY SAME-SEX COUPLES 1 (2011).

⁸For 2015, we split the marriage estimates up into those that occurred before the *Obergefell* decision (January – June 2015) and those that occurred after (July – December 2015). We allocated half of the estimated divorces in that year to the first part of the year and half to the second part of the year.

⁹Press Release, Knot Worldwide, The Impact of Marriage Equality on Wedding Planning (June 3, 2016), <https://www.theknotww.com/press-releases/weddingwire-marriage-equality/>. More recent data on wedding spending by same-sex couples are not available. If couples spent more on their weddings between 2017 and 2019, the economic impact of wedding spending by couples would be larger than we estimate here.

¹⁰NAOMI G. GOLDBERG, MICHAEL D. STEINBERGER & M.V. LEE BADGETT, WILLIAMS INSTITUTE, THE BUSINESS BOOST FROM MARRIAGE EQUALITY: EVIDENCE FROM THE HEALTH AND MARRIAGE EQUALITY IN MASSACHUSETTS SURVEY (2009).

¹¹If couples, on average, had more than 16 guests at their weddings, the economic impact of guest spending would be larger than we estimate here.

¹²See state reports, *supra* note 3.

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,¹³ out-of-state guests spent an average of \$116 per person on food and lodging to attend weddings.

Using these figures, we estimate that 4,688,000 out-of-state guests have attended weddings of same-sex couples since the *Obergefell* decision, generating a total economic boost of \$543.8 million over that period.

SALES TAX REVENUE

States and localities that impose sales taxes directly benefit from wedding spending. The national average state and local sales tax rate over the period from 2015 through March 2020 was 6.48%.¹⁴ The combined wedding-related spending of same-sex couples and their out-of-state guests from 2015 to 2020 is estimated to be \$3.8 billion. Applying the national average sales tax rate to total wedding spending, we estimate that weddings of same-sex couples generated \$244.1 million in state and local sales tax revenue in the five years since the *Obergefell* decision.¹⁵

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.¹⁶ Across the state-level reports that included this estimate, an average of \$83,643 in spending supported one job for a year. Applying this estimate to our estimate of total wedding-related spending in the five years since *Obergefell* suggests that approximately 45,000 jobs were supported for a full year by same-sex couples' weddings during this period.

¹³*Id.* 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.

¹⁴The national average includes the 46 states that impose state and/or local sales taxes and the four that do not impose either. The yearly state and local average tax rates were averaged for the period from 2015-2020 to arrive at the rate used in this report. Janelle Cammenga, *State and Local Sales Tax Rates, 2020*, TAXFOUNDATION.ORG (Jan. 15, 2020), <https://taxfoundation.org/2020-sales-taxes/>; Janelle Cammenga, *State and Local Sales Tax Rates 2019*, TAXFOUNDATION.ORG (Jan. 30, 2019), <https://taxfoundation.org/sales-tax-rates-2019/>; Jared Walczak & Scott Drenkard, *State and Local Sales Tax Rates 2018*, TAXFOUNDATION.ORG (Feb. 13, 2018), <https://taxfoundation.org/state-and-local-sales-tax-rates-2018/>; Jared Walczak & Scott Drenkard, *State and Local Sales Tax Rates in 2017*, TAXFOUNDATION.ORG (Jan. 31, 2017), <https://taxfoundation.org/state-and-local-sales-tax-rates-in-2017/>; Drenkard & Nicole Kaeding, *Combined State and Local Sales Tax Rates in 2016*, TAXFOUNDATION.ORG (Mar. 9, 2016), <https://taxfoundation.org/state-and-local-sales-tax-rates-2016/>; Scott Drenkard & Jared Walczak, *State and Local Sales Tax Rates in 2015*, TAXFOUNDATION.ORG (Apr. 8, 2015), <https://taxfoundation.org/state-and-local-sales-tax-rates-2015/>.

¹⁵We are unable to determine whether the average amount couples reported spending on their weddings included what they spent in taxes. To the extent that couples factored taxes into their reported spending, our estimate of state and local sales taxes generated would overestimate taxes generated by couples' wedding spending.

¹⁶See state reports, *supra* note 3. 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.

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 have taken place since the U.S. Supreme Court's decision in *Obergefell v. Hodges*. Our calculations indicate that wedding spending by these couples and their out-of-state guests has boosted state and local economies by an estimated \$3.8 billion and has generated an estimated \$244.1 million in state and local sales tax revenue. This spending supported an estimated 45,000 jobs for one year.

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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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