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Estimating the Economic Boost of Marriage for Same-Sex Couples in Oregon



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Executive Summary

This report estimates the impact on Oregon's economy of allowing same-sex couples to marry. Using the best data available and following the methodology of previous analyses for a number of other states, we estimate that allowing same-sex couples to marry **would boost Oregon's economy by \$47.3 million over the course of the first three years**, with \$30.3 million in the first year alone.

We estimate that approximately 5,887 (50%) of Oregon's 11,773 same-sex couples will marry in first three years.

Economic Boost from Wedding Spending

- Direct spending by resident same-sex couples on their weddings would add an estimated **\$37.7 million to the state and local economy** over the first three years, with \$24.1 million in the first year alone.
- An estimated 3-year total **\$9.6 million would be spent in Oregon by out-of-state guests** attending weddings of same-sex couples, with \$6.1 million in the first year alone.
- Wedding-related spending and tourism would generate approximately **468 new jobs** in Oregon over the first three years.

SPENDING	Year 1	Year 2	Year 3	Total
# of Marriages of Same-Sex Couples	3,768	1,236	883	5,887
Direct Wedding Spending	\$24,111,432	\$7,909,164	\$5,650,317	\$37,670,913
Tourism Spending	\$6,149,376	\$2,017,152	\$1,441,056	\$9,607,584
Total Spending	\$30,260,808	\$9,926,316	\$7,091,373	\$47,278,497

Introduction

As of April 2014, 17 states, the District of Columbia, and the federal government formally recognized marriages between partners of the same sex. Additionally, federal district courts in several states have held, or suggested, that withholding state-granted marriages from same-sex couples is unconstitutional.¹ In this study, we analyze the estimated effect of marriage for same-sex couples on Oregon's economy over the next three years if the state were to recognize these marriages.

Our analyses are informed by the methodology that we've used in previous studies of the economic impact of marriage in a number of other states.² We utilized state-level data, as well as other relevant data sources, including Census 2010 and the American Community Survey, to estimate the economic impact of extending marriage to same-sex couples in Oregon.

History of Relationship Recognition for Same-Sex Couples in Oregon

In March 2004, Multnomah County in began issuing marriage licenses to same-sex couples after a county attorney held a press conference and announced that discriminating against same-sex couples when they applied for marriage licenses was unconstitutional.³ Various legal and legislative proceedings were

pursued in the state of Oregon in order to address the state-wide discrepancy in issuing marriage licenses to same-sex couples.

In November 2004, "Ballot Measure 36" was passed -- a constitutional amendment that defined marriage as between one man and one woman, and the only relationship that is "valid or legally recognized as a marriage."^{4, 5} The Supreme Court of Oregon heard a case brought by nine couples regarding the validity of marriage licenses that were issued in Multnomah County prior to the passage of Ballot Measure 36.⁶ Ultimately, the court decided that all such licenses were void when issued.⁷

In 2008, the Oregon Legislature passed a bill creating domestic partnerships for same-sex couples.⁸ In 2013, the Oregon Department of Justice issued a memo declaring that it would recognize same-sex spouses that were married out-of-state based on recent developments in federal law and existing state laws.⁹ Additionally, the Oregon Attorney General announced that she will no longer defend the state's ban on marriage of same-sex couples.¹⁰ Currently, there is a case pending in the U.S. District Court for the District Court of Oregon challenging the constitutionality of Ballot Measure 36.¹¹

In-State Couples

To determine the potential impact of marriage for same-sex couples, we estimate the number of couples that will marry within the first three years. According to the most recent Census in 2010, there are currently 11,773 same-sex couples living in Oregon.¹² We draw upon the experience of other states that have permitted marriage between individuals of the same sex to estimate the number of same-sex couples who might marry in Oregon. In Massachusetts, just over half of same-sex couples married during the initial three year period.¹³ This finding has been confirmed in several other jurisdictions that have more recently extended marriage to same-sex couples.^{14, 15} Based on these data, we predict that, if allowed to do so, 50% of Oregon's 11,773 same-sex couples, or 5,887 couples, would marry in the first three years.¹⁶

Wedding Spending

If Oregon grants same-sex couples the right to marry, we predict that the state will see a surge in spending on weddings by same-sex resident couples and their out-of-state guests. Our analysis predicts that allowing same-sex couples to marry would generate \$47.3 million through direct wedding spending and wedding-related tourism in the first three years that marriage is available to same-sex couples. We estimate that wedding spending generated by marriages of

same-sex couples would support 468 new jobs in Oregon's tourism and hospitality sector in the first three years.

Direct Wedding Spending

Following the legalization of marriage for same-sex couples, Massachusetts experienced a rise in spending associated with wedding planning, such as increased demand for catering services and hotel rooms.¹⁷ More recently, New York,¹⁸ Connecticut¹⁹ and Washington²⁰ have also reported a rise in wedding spending after marriage rights were extended to same-sex couples. We expect that Oregon would experience the same positive economic boost.

According to *The Wedding Report*, average spending on weddings in Oregon in 2012 was \$25,597.²¹ 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 here that same-sex couples spend one-quarter of the amount that different-sex couples spend on wedding arrangements.^{22, 23} Accordingly, we assume that same-sex couples who have wedding ceremonies and celebrations will spend an average of \$6,399 per wedding in Oregon. Using this estimate, we expect that the 4,633 same-sex couples who will have wedding

ceremonies or celebrations will generate \$37.7 million in direct wedding spending over the first three years.

Out-of-State Guests

In 2008, a report based on *The Health and Marriage Equality in Massachusetts Survey* indicated that in Massachusetts, weddings of same-sex couples included an average of 16 out-of-state guests.²⁴ We assume that the resident same-sex couples who celebrate their weddings in Oregon will have a similar count of 16 out-of-state guests at their ceremonies. In order to estimate out-of-state guest spending, we utilize the per diem allowance for food and lodging by state as set forth by the U.S. General Services Administration (GSA).²⁵ The GSA's per diem allowance rates are used by federal government agencies to reimburse their employees' business-related travel expenses.²⁶ We determine the overall state per diem, \$102.00, by averaging hotel and food allowance by county and calculating a weighted average by county adult population. We assume that each out-of-state guest will spend the average GSA per diem rate for meals for a one day visit. We further assume that guests will share a room and stay for one night. Based on these assumptions, 94,192 out-of-state guests will spend an estimated \$9.6 million attending weddings of same-sex couples in Oregon during the first three years.

Job Creation

In 2012, Oregon generated \$9.2 billion in tourism spending, which supported 91,100 jobs in the tourism and hospitality sector.²⁷ We calculated that for every \$101,000 in tourist spending revenue, an additional job is added to the economy. Taking into account our estimated amount of increased spending, we can deduce that new spending generated by weddings of same-sex couples would create an additional 468 jobs for Oregon residents.

Impact of Out-of-State Couples and Existing Domestic Partnerships and Marriages

Our estimate does not take into account the impact of same-sex couples from other states who travel to Oregon to marry, or the impact of existing marriages and domestic partnerships among Oregon's same-sex couples.

Existing Domestic Partnerships

Couples who have already celebrated a domestic partnership in Oregon may not spend additional money to celebrate a wedding. However, research suggests that most couples (76%) who are already in civil unions or domestic partnerships have not had wedding-like celebrations.²⁸ It is reasonable to assume that many of these couples would spend money on a wedding ceremony or celebration after marriage is extended to same-sex couples.

Since Domestic Partnership was established in Oregon in 2008, 5,667 same-sex couples have registered as Domestic Partners.²⁹ Of these couples, 441 have filed for dissolution.³⁰ The total number of active Domestic Partnerships in Oregon, as of 2013, is 5,226. While research suggests that many of these couples will still spend money when they formally marry, we do not know how many or how much they will spend. However, even if we make the most conservative assumption that none of the couples currently in a domestic partnership will spend money on wedding ceremonies or celebrations, we still estimate that extending marriage to same-sex couples will boost Oregon's economy by \$5.3 million and generate 53 jobs over the first three years. Given that most of the couples in domestic partnerships have not yet spent money on a ceremony or celebration, we predict that spending will be significantly higher than this low-end estimate.

Impact of Out-of-State Couples and Existing Marriages among In-State Couples

Out-of-state couples traveling to Oregon to marry would generate spending on wedding-related goods and services and, most likely, on tourist-related goods and services. By contrast, Oregon couples who have already married elsewhere may choose to convert their out-of-state marriage to a marriage in Oregon without spending money on a wedding ceremony or celebration.

Washington State extended marriage rights to same-sex couples in December 2012 and 524 same-sex couples from Oregon traveled to Washington to marry.³¹ We do not have data on how many same-sex couples from Oregon have traveled to other states to marry. Additionally, we do not have enough data to predict how many couples would travel to Oregon from other states to marry.

In other reports, we have concluded that the impact of spending by out-of-state couples who travel for the purpose of getting married would likely offset the impact of reduced spending by in-state couples who have already married in other states. However, this effect is usually due to the large number of same-sex couples who live in bordering states that do not allow them to marry. For example, we concluded that many out-of-state couples would likely travel to Colorado to marry because six of the seven states bordering Colorado currently do not allow same-sex couples to marry.³² By contrast, two states with large populations bordering Oregon—Washington and California—already allow same-sex couples to marry. Additionally, a case challenging Nevada's ban on same-sex marriage is currently in the Ninth Circuit, following an adverse ruling at the lower court.³³ The state has filed a brief in the Ninth Circuit withdrawing its defense of the ban, taking the position that the ban is unconstitutional following the U.S. Supreme

Court’s decision in *Windsor v. U.S.*³⁴ Same-sex couples in Nevada may choose to wait for the final outcome in that case, rather than travel to other states to marry. Finally, the impact of same-sex couples who may travel from Oregon’s only other bordering state—Idaho—is likely to be small because there are only 2,042 couples in the state.³⁵

Due to the fact that Oregon is situated near other states that already extend marriage to same-sex couples or are likely to in the near future, spending by out-of-state couples may not completely offset the negative impact of already married Oregon couples on our estimates. However, we do not take into account either out-of-state couples or already married in-state couples in our estimates because we do not have enough data to

calculate the total number of existing marriages or to predict the number of out-of-state couples who will travel to Oregon to marry.

Conclusion

In this study, we have drawn on information regarding marriage spending by same-sex couples in other states, along with Oregon wedding expenditure and tourism data, to estimate the economic boost if Oregon extends the right to marry to same-sex couples. Our calculations indicate that the total spending on wedding arrangements and tourism by same-sex couples and their guests would be approximately \$47.3 million over three years, with about \$30.3 million in the first year alone. We estimate that the total economic boost over the first three years would generate 468 jobs for Oregon residents.

Table 1. Oregon Wedding Spending and Tourism Figures by Resident Same-Sex Couples and their Guests

SPENDING	Year 1	Year 2	Year 3	Total
# of Marriages of Same-Sex Couples	3,768	1,236	883	5,887
Wedding-Related Spending	\$24,111,432	\$7,909,164	\$5,650,317	\$37,670,913
Out-of-Town Wedding Guests	60,288	19,776	14,128	94,192
Out-of-Town Guest Spending	\$6,149,376	\$2,017,152	\$1,441,056	\$9,607,584
TOTAL SPENDING- HIGH END	\$30,260,808	\$9,926,316	\$7,091,373	\$47,278,497
# of possible couples in domestic partnerships marrying without ceremony	3,345	1,097	784	5,226
Deduction for possible couples in domestic partnerships marrying without ceremony (including wedding spending and guest spending)	(\$26,863,695)	(\$8,810,007)	(\$6,296,304)	(\$41,970,006)
TOTAL SPENDING- LOW END	\$3,397,113	\$1,116,309	\$795,069	\$5,308,091

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Endnotes

- ¹ Deboer v. Snyder, No. 12-CV-10285 (E.D. Mich. Mar. 21, 2014); Tanco v. Haslam, No. 3:13-cv-01159 (M.D. Tenn. Mar. 24, 2014); De Leon v. Perry, No. SA-13-CA-00982-OLG (W.D. Tex. Feb. 26, 2014); Bourke v. Beshear, No. 3:13-CV-750-H (W.D. Ky. Feb. 21, 2014); Bostic v. Shaefer, No. 2:13-cv-395 (E.D. Va. Feb. 14, 2014); Bishop v. U.S., No. 04-CV-848-TCK-TLW (N.D. Okla. Jan. 14, 2014); Kitchen v. Herbert, No. 2:13-cv-217 (D. Utah Dec. 20, 2013); Langhorne, Thomas. (2014). [“Federal Judge Sides with Same-Sex Couple Seeking Emergency Marriage Recognition in Indiana.”](#) *Courier-Press* (Evansville), Apr. 10.
- ² Reports available on the Williams Institute’s web site under [Economic Impact Reports, by state](#).
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- ⁴ General Election Abstract of Votes, (2004). [“State Measure No. 36.”](#)
- ⁵ *Constitution of Oregon, Article XV, Section 5a* “Policy regarding marriage” (2004).
- ⁶ American Civil Liberties Union, (2004). [“Li and Kennedy v. State of Oregon”](#)
- ⁷ [Li v. State of Oregon](#), CC 0403-03057; CA A124877; SC S51612 (Or. Ct. App. 2005).
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- ⁹ Oregon Department of Justice, (2013). [Memo regarding the recognition of same-sex spouses who were married out-of-state.](#)
- ¹⁰ Johnson, Chris (2014). [“Oregon AG won’t defend marriage ban in court.”](#) *Washington Blade*, Feb. 20.
- ¹¹ *Ibid.*
- ¹² Gates, Gary J. & Abigail M. Cooke, (2010). [“Oregon Census Snapshot: 2010”](#) (Los Angeles: The Williams Institute).
- ¹³ This calculation is based upon collected data revealing that 9,931 same-sex couples married in Massachusetts within the first three years after same-sex marriage was legalized. To estimate the total number of same-sex couples residing in Massachusetts in 2004 we utilized American Community Survey data and determined that there were approximately 19,550 resident same-sex couples at that time. This suggests that approximately 51% of couples married over three years.
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- ¹⁵ [“Washington same sex couples: follow-up data report released.”](#) Washington State Department of Health press release, December 5, 2013.
- ¹⁶ Not all couples who will marry in the first three years will do so within the first year they are permitted. Using data from Massachusetts, we can predict the timing of nuptials over three years; 64% married in the first year, 21% married in the second year, and 15% married in the third year. Badgett & Herman *supra* note 14.
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- ²⁰ Lerner, Sara. (2013). [“Same-Sex Marriage Anniversary An Economic Boost For Washington.”](#) *KUOW.ORG*. Dec. 10.
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- ²⁵ U.S. General Services Administration, (2014). [“Per Diem Rates Look-up by State.”](#)
- ²⁶ The per diem lodging rates are based on Average Daily Rate data from lodging properties that meet the GSA’s criteria. The per diem meal rates are based on data received from restaurants. More information about the GSA’s per diem rates is available at <http://www.gsa.gov/portal/content/104208#4>.
- ²⁷ Dean Runyan Associates, (2013). [“Oregon Travel Impacts 1991-2012p.”](#)
- ²⁸ A 2013 survey showed that 76% of couples who are in a civil union or domestic partnership did not spend money on a ceremony or celebration at the time they entered into that status. By contrast, most couples did spend money on ceremonies or celebrations when they married. The survey did not include questions about celebrating a marriage after an existing domestic partnership or civil union, but it is reasonable to assume that many couples—particularly those who did not have a celebration previously—will celebrate a formal marriage the same way as other couples. Community Marketing & Insights & The Gay Wedding Institute. (2013). [“Same-Sex Couples: Weddings and Engagements.”](#)
- ²⁹ Oregon Health Authority, (2014). [“Oregon Domestic Partnership Data.”](#)
- ³⁰ Oregon Health Authority, (2014). [“Dissolution of Domestic Partnership Data.”](#)
- ³¹ Washington State Department of Health, (2013). [Washington same sex couples: follow-up data report released.](#) (press release), Dec. 5.
- ³² Mallory, Christy & M.V. Lee Badgett. (2013). [“Estimating the Economic Boost of Marriage for Same-Sex Couples in Colorado.”](#) (Los Angeles: The Williams Institute).
- ³³ *Sevcik v. Sandoval*, No. 12-17668 (9th Cir. Dec. 12, 2014) (order granting motion to expedite); *Sevcik v. Sandoval*, 911 F. Supp. 2d 996 (D. Nev. 2012).
- ³⁴ Motion for Leave to Withdraw Brief of Defendant-Appellee, *Sevcik v. Sandoval*, No. 12-17668 (9th Cir. Feb. 10, 2014).
- ³⁵ Gates, Gary J. & Abigail M. Cooke, (2010). [“Idaho Census Snapshot: 2010”](#) (Los Angeles: The Williams Institute).