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Abstract

Sexual minorities experience significant differences in labor market outcomes relative to comparable heterosexuals, with larger differences in earnings than in labor supply. A common explanation of these differences is that they may reflect unobserved differences in masculinity and femininity in the sexual minority population. We leverage data on personality and behaviors in the National Study of Adolescent to Adult Health (AddHealth) to test whether controlling for differences in masculinity and femininity through quantitative measures of gender typicality eliminates labor market differentials. While we find evidence that gender typicality does affect labor market outcomes of men and women on average, we find no evidence of a differential effect for gays and lesbians. Controlling for these factors does not affect sexual orientation labor market differentials, suggesting that existing estimates of earnings differentials are not affected by omitted variable bias due to not controlling for gender typicality.

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1 Introduction

Gay and bisexual men have significantly worse labor market outcomes relative to heterosexual men. In contrast, the evidence for lesbian and bisexual women suggests their outcomes are as good if not better than heterosexual women. The asymmetry of these labor market differentials has contributed to a long debate as to the mechanisms that generate sexual orientation based differentials, going back to the seminal work by Badgett (1995). Some have argued that these differentials reflect discrimination against sexual minorities. Alternatively, these differences may reflect an important but often omitted variable in empirical work: gender typicality (Aksoy et al. 2019; Blandford 2003; Blashill and Powlishta 2009). However, to our knowledge, no empirical work investigating this link has not been done.

The difficulty in testing the effect of gender typicality on wages arises due to the scarcity of high-quality data on characteristics associated with gender typicality. It is exacerbated by the lack of data on sexual minorities and their labor market outcomes. To overcome these challenges, we utilize data in the National Study of Adolescent to Adult Health (AddHealth) and adopt an interdisciplinary method to quantify AddHealth respondents' adherence to gender-typical norms (Fleming et al. 2017). We test whether controlling for gender typicality eliminates the sexual orientation labor market differentials observed in the AddHealth. Our use of gender typicality, which we measure as a continuous characteristic, contributes methodologically to the larger literature on gender differences in the labor market by moving beyond the gender binary.

In this paper, we provide evidence of significant effects of gender typicality on the labor market outcomes of men and women. The importance of this characteristic for labor market outcomes bolsters the theory that gender typicality - in addition to sex - matters in the workplace. However, we find no evidence that gender typicality explains labor market differentials for sexual minorities in the United States. In arriving at this result, we find that gay and bisexual men earn less than heterosexual men in the most recent waves of the AddHealth. Gay and bisexual men have hourly wages that are 11% less than heterosexual men. A larger income differential reflects that gay and bisexual men work less than heterosexual men. We also find that lesbian and bisexual women exhibit fewer differences in labor market outcomes relative to heterosexual women, though they earn approximately 5% less than heterosexual women. The estimated labor market differentials observed are robust to controlling for gender typicality. Neither the magnitude nor the statistical significance of estimates of labor market differentials for sexual minority men and women meaningfully decline when we control for gender typicality. Further, we find that there is no differential effect of gender typicality on the labor market outcomes of sexual minorities. The results hold even after allowing for more flexible and heterogeneous effects of gender typicality.

Our results make two significant contributions to the literature. First, we show that the gender typicality measure developed by Fleming et al. (2017) is predictive of differences in economic behavior. Our application to the labor market outcomes of sexual minorities highlights the role that gender typicality plays in understanding gender-based gaps more broadly. Second, our results allow for a fuller understanding of labor market outcomes for sexual minorities. The most recent wave of the AddHealth data suggests that sexual orientation labor market differentials change little as sexual minorities age. More importantly, we show that existing estimates of sexual orientation based earnings differentials do not appear to be explained by typically unobserved differences in characteristics related to masculinity and femininity. Since these characteristics cannot explain the observed differentials, our results are further evidence in favor of discrimination. Evidence of discrimination highlights the potential for the expansion of nondiscrimination laws to promote equality (Burn 2018; Martell 2013a; Klawitter 2011).

2 Labor Market Effects of Sexual Orientation

Evidence of pay discrimination based on sexual orientation began with Badgett's (1995) early econometric work. She found a large and negative earnings penalty experienced by gay men and an insignificant earnings differential experienced by lesbian women using General Social Survey data. The estimated earnings penalty contradicted popular stereotypes at the time that homosexuals were a particularly affluent group, which motivated researchers to investigate the robustness and mechanisms behind Badgett's findings. These follow-on papers bolstered the existence of an earnings penalty among gay men and documented a robust earnings premium for lesbian women. The penalty for gay men typically ranges from 10-20%, and the premium for lesbian women typically ranges from 15-30% (Klawitter 2015). While this pattern of earnings differentials has been most extensively documented in the United States, results from other countries exhibit similar patterns (e.g., Sweden, Canada, Australia, the Netherlands, the United Kingdom).[1]

The robustness of the asymmetric earnings effects of sexual orientation led many researchers (such as Antecol et al. (2008)) to suggest alternatives to the discriminatory explanation initially marshaled by Badgett.[2] The most prominent non-discriminatory explanations of the effects of sexual orientation often involve unobserved individual preferences and patterns of household specialization that vary by sexual orientation. For example, Berg and Lien (2002) argue that the gay earnings penalties and lesbian earnings premiums they observed are consistent with lower labor-leisure preferences among gay men and higher labor-leisure preferences among lesbian women. However, the earnings effects of sexual orientation persist when researchers control for labor market attachment by estimating wages instead of annual earnings as well as controlling for selection into the labor market (Martell 2013b; Cushing-Daniels and Yeung 2009; Klawitter 2015). Similarly, controlling for individual heterogeneity often unobserved in the data sets typically utilized by researchers interested in the economics of sexual orientation does not eliminate the earnings effects sexual minorities experience (Sabia 2014).

[1]Because data on sexual orientation and labor market outcomes are rare and imperfect, early work on sexual orientation and earnings emphasized the robustness of these earnings differentials to alternative methods used to measure sexual orientation. More recent work utilizes new and unique data sets to estimate the wage gaps, or it studies the effects of public policies on the wage gap (e.g., same-sex marriage and anti-discrimination laws).

[2]There are few exceptions to the earnings effects of sexual orientation. Carpenter and Eppink (2017) finds evidence of a gay premium in the US in recent years. Martell (2019) and Carpenter (2008) find evidence of a lesbian penalty in the US and Australia.

Patterns of household specialization may also lead to the earnings effects of sexual orientation. Given the lack of sex asymmetry in same-sex households, lesbian women are more likely (and gay men less likely) to earn more than their partner and may invest more in their human capital, increasing their attachment to the labor market (Oreffice 2011). Therefore, differences in household structure may lead lesbian women to earn more - and gay men to earn less - than their heterosexual counterparts. However, evidence in favor of household specialization is limited. The earnings premium exists among both lesbians with and without a previous heterosexual marriage who would have been less likely to expect a traditional heterosexual division of household labor (Daneshvary et al. 2008), suggesting that investments made in anticipation of household specialization do not drive the lesbian premium. The lesbian earnings premium persists when researchers control for the incidence of parenthood or the labor force attachment of their partner (Jepsen 2007). Finally, patterns household time use are inconsistent with household specialization as an explanation of earnings differentials (Martell and Roncolato 2016).

Even though the asymmetric nature of the earnings effects of sexual orientation does not appear consistent with discrimination, recent work highlights several empirical patterns consistent with discrimination. In particular, the effectiveness of anti-discrimination laws reduces the earnings penalty gay men experience and increases their labor supply (Martell 2013a; Burn 2018; Klawitter 2011; Baumle and Poston Jr. 2011). Similarly, the gay penalty is smaller in geographic areas with lower levels of sexual prejudice (Burn 2020), and the penalty cannot be explained by differences in the characteristics of gay and heterosexual men (Martell 2013b). These findings are corroborated by resume correspondence studies finding evidence of discrimination for openly gay and lesbian job applicants (Tilcsik 2011; Weichselbaumer 2003; Drydakis 2009).

Patterns of occupational attainment are also consistent with discrimination among gay men. Both gay and lesbian workers are more likely to work in occupations that facilitate the selective disclosure of their sexual orientation (Tilcsik et al. 2015), and often select college majors which lead to these careers (Burn and Martell 2020). However, gay and lesbian workers sort into different occupations. Lesbian women are more likely, and gay men are less likely, to work in male-dominated occupations than their heterosexual counterparts (Antecol et al. 2008). Sorting into male-dominated occupations explains much of the lesbian earnings premium (Antecol and Steinberger 2013), and sorting into occupations where gay men can conceal their sexual orientation decreases the penalty they experience (Martell 2018). Similar to the determinants of the gender gap more broadly (Blau and Kahn 2017), occupational attainment plays a crucial role in determining the earnings effects of sexual orientation. Differential outcomes for gay and lesbian workers arise because they manage their sexual orientation through occupations that are atypical for their sex.

In this paper, we consider the role of individual gender typicality as a determinant of labor market differences (see, among others: Blandford (2003); Aksoy et al. (2019); Ahmed et al. (2013)). Sexual minorities report they are less gender-typical than heterosexuals (Lippa 2000), and employers view homosexuals as less gender-conforming than heterosexual men (Steffens et al. 2018). These reports of decreased gender typicality among gay men and lesbian women are associated with how others perceive gay men as feminine and lesbian women as masculine. Indeed, previous evidence from laboratory experiments shows that in workplace settings men (who are more likely to be managers) prefer women who conform to traditional female norms and punish women who violate these norms by acting in traditionally masculine ways (Bowles et al. 2007; Heilman et al. 2004; Heilman and Chen 2005; Rudman and Glick 2001). Evidence from laboratory experiments documents similar penalties for LGBT workers who do not conform to gender norms, and the effects of these penalties vary by sexual orientation (Clarke and Arnold 2018; Gorsuch 2019; Heilman and Wallen 2010).[3]

Gorsuch (2019) leverages experimental manipulation to find a correlation between the penal-

[3]Heilman and Wallen (2010) show that individuals feel that gender non-conforming individuals were less preferred as bosses. In Clarke and Arnold (2018), men are rated less effectual, less respect-worthy, and less hirable in female-typed jobs, but the effect is much smaller for gay men. Gorsuch (2019) found that heterosexual women are penalized for masculine behavior in the labor market, whereas LGBT women are not, with gender conformity having little effect on LGBT men.

ties for women violating gender norms and being LGBT among men, which suggests that gender atypicality may have larger adverse effects on sexual minorities because employers punish individuals who violate norms about gender and sexuality more (i.e., the theory of "double violators" proposed by Lehavot and Lambert (2007)).[4] Since sexual minorities violate an additional gender norm by partnering with members of the same sex, they may experience a larger penalty for gender-atypical characteristics than heterosexual men. If this is true, then controlling for gender typicality should weaken the evidence that sexual minorities have worse labor market outcomes. We investigate this relationship using observational data (in contrast to much of the previous literature which utilizes laboratory experiments) from the AddHealth Survey to measure the effect of gender typicality on labor market outcomes and test whether gender typicality explains the observed pattern of labor market outcomes for sexual minorities.[5]

3 Data and Methodology

To investigate the impact of gender typicality on wages, we use the National Longitudinal Study of Adolescent to Adult Health (Add Health), 1994-2018. The AddHealth study is a longitudinal study of a nationally representative sample of U.S. adolescents in grades 7 through 12 during the 1994-1995 school year. The AddHealth cohort was followed into young adulthood with four in-home interviews. AddHealth combines longitudinal survey data on respondents' social, economic, psychological, and physical well-being with contextual data on the family, neighborhood, community, school, friendships, peer groups, and romantic relationships.

[4] Another possible explanation of differential effects of gender typicality for sexual minorities may be that the masculine characteristics of gay men are discounted because they are inconsistent with stereotypes assumed to exist in the workplace. Similarly, even if masculinity is rewarded in the labor market that contributes to higher earnings for lesbian women, lesbians may be penalized for this deviation and earn less than similarly situated heterosexual women.

[5] In this paper, we only examine cisgender individuals. There is a burgeoning literature on the effect of violating gender norms for transgender and gender nonbinary individuals which our results do not address (Carpenter et al. 2020; Geijtenbeek and Plug 2018; Leppel 2019; Schilt and Wiswall 2008; Van Borm et al. 2020; Granberg et al. 2020)

The Wave I in-home survey was administered in 1995 between April and December to a sample of 12,105 students in 132 high schools. This sample was augmented through the collection of information on biological siblings residing in the household of a sample member, along with over-samples of black students with college-educated parents and over-samples of Chinese, Cuban, and Puerto Rican students. The original sample plus the sibling and minority over-samples resulted in a sample size of approximately 20,000 respondents.

Four additional waves of the AddHealth follow the Wave I respondents as they transition to adulthood. Wave II was conducted in 1996, approximately one year after the baseline survey. Wave III was administered in 2001 when the respondents were 18 to 26 years old. Wave IV was conducted in 2007 when the respondents were 24 to 32 years old. Wave V was administered in 2016 through 2018 when the subjects were 32 to 42. In this paper, we utilize Waves III, IV, and V. Due to attrition in the sample, we do not have a perfectly balanced panel. Therefore, we treat the AddHealth data as a repeated cross-section of a nationally representative cohort of young Americans.

The detailed questions asked of AddHealth respondents allow researchers to estimate sexual orientation differentials for both single and cohabiting sexual minorities. This contrasts with widely used sources of public-use data, such as the American Community Survey or the Current Population Survey, where researchers must infer sexual orientation via family inter-relationships. However, there are limitations of the Add Health as it applies to the study of the sexual orientation based labor market differentials (Sabia 2014, 2015).

First, because the study follows individuals as they enter adulthood, the average age of these individuals is younger than the average American. This leads to potential imprecision in the measurement of income and sexual orientation. Since we are only observing incomes when respondents are relatively young, we may be over or underestimating the wage differential if income trajectories through adulthood differ by sexual orientation (Martell 2019). We also may not accurately estimate gender typicality if gender typicality changes as one ages (since our oldest respondents are only in their 40s), or the effect of gender typicality on labor market outcomes is very different for older workers.

A second drawback of the data, which is common to nearly all research in this area, is that researchers cannot observe whether the respondent has revealed their sexual orientation to their employer or co-workers. Because the observation of sexual orientation is a necessary prerequisite for discrimination, our inability to control for disclosure of sexual orientation may lead to underestimates of the impact of sexual orientation disclosure on earnings. Of course, involuntary disclosure is also possible. Involuntary disclosure may be more likely among sexual minorities who behave in gender-atypical ways that conform to stereotypes. If this is the case, we may be more likely to estimate larger earnings differentials for LGB individuals who are more gender atypical.

3.1 Measuring Sexual Orientation

We classify respondents' sexual orientation based off of individual self-reports, which is standard among research utilizing the AddHealth data (Sabia 2015). Using Computer-Assisted Self-Interviewing (CASI), AddHealth asked respondents to:

> "Please choose the description that best fits how you think about yourself: 1. 100% heterosexual (straight) 2. Mostly heterosexual (straight) but somewhat attracted to people of your own sex 3. Bisexual, that is, attracted to men and women equally 4. Mostly homosexual (gay), but somewhat attracted to people of the opposite sex 5. 100% homosexual (gay) 6. Not sexually attracted to either males or females."

Those who responded that they were "100% heterosexual" (category 1) or "mostly heterosexual" (category 2) were coded as heterosexual, those who indicated some attraction to both sexes (category 3) were coded as bisexual, and those who reported they were "mostly homosexual: (category 4) or "100% homosexual" (category 5) were coded as "gay/lesbian." Those not attracted to either sex were coded as their own category ("asexual"). As does Sabia (2014), we note that this measurement of sexual orientation conflates two often, but not always, overlapping constructs: sexual attraction with sexual identity.[6] In our baselines specifications, we aggregate homosexuals and bisexuals to maximize our sample of sexual minorities. As a robustness check, we estimate the results separately for homosexuals and bisexuals. Overall, we classify 8926 men as heterosexual and 690 men as gay or bisexual. We classify 9419 women as heterosexual and 2122 women as lesbian or bisexual women.

3.2 Measuring Labor Market Outcomes

We observe differences in the labor market outcomes between sexual minorities and heterosexuals. We focus on income, hourly wages, employment, and hours worked. Our definitions of these outcomes are the same as Sabia (2014).

To measure employment, we use a respondent's response to the question, "Are you currently working for pay for at least 10 hours a week?" Respondents who answered yes were coded as employed, and respondents who answered no were coded as not employed (we do not differentiate between unemployed and not in the labor force). In Table 1, we find similar employment rates for all groups. Between 80 and 87% of respondents to the Add Health are employed, with gay and bisexual men having the highest employment rate and heterosexual women having the lowest.

Total earnings from wages are calculated based on subjects' responses to the following question in Wave III, Wave IV, and Wave V, "Now think about your personal earnings. In [the previous year], how much income did you receive from personal earnings before taxes, that is, wages or salaries, including tips, bonuses, and overtime pay, and income from self-employment?" If a respondent replied "do not know" to the earnings question (and in all of Wave V), they were

[6] Sexual identity is the most relevant construct for the study of labor market outcomes because theories to explain these outcomes revolve around employer perceptions of identity or worker decisions based on their identity (Martell and Eschelbach Hansen 2017; Carpenter 2007).

prompted with seven categories of earnings. We follow Sabia (2015) and use the midpoints of each to determine total earnings.[7] Among men, we find that heterosexual men earn $3,035 more than gay or bisexual men per year. The difference in income between lesbian and bisexual women and heterosexual women is smaller at $1700 per year, with lesbian and bisexual women earning more.

Hours worked per week are based on respondents' answers to the question, "How many hours per week (do/did) you usually work at this job?" We find that heterosexual men work the most hours, while heterosexual women work the least. The difference in hours worked between gay and bisexual men and heterosexual men was approximately 2 hours, while the gap between women was less than 10 minutes.

We calculate hourly wages as total earnings divided by the usual number of hours worker times 50.[8] We find that heterosexual men have the highest hourly wages, earning $20.20 per hour, while gay and bisexual men earned $19.86. Among women, the gap in hourly wages was larger. Lesbian and bisexual women earned $18.75, and heterosexual women earned $17.52.

3.3 Measuring Gender Typicality

We measure adherence to gender typicality using a gender diagnostic technique. This technique features prominently in the public health and gender studies literature and has been recently refined by Fleming et al. (2017), whose procedure we adopt.[9] Estimating gender typicality is a

[7] Our results are qualitatively similar if we exclude Wave V due to the categorical coding of income and if we compare OLS to interval regressions within the Wave V data. Results available upon request.

[8] As does Sabia (2014), we trim hourly wages. Wages are bottom coded at $2.13 per hour (which is equal to the tipped federal minimum wage since 2007) and top coded at $500 per hour.

[9] These measures draw heavily on the theory of gender performance put forth by Butler (1990) and West and Zimmerman (1987). See Lippa and Connelly (1990), Cleveland et al. (2001), and Fleming et al. (2017) for overviews of the methodological evolution of these techniques. The gender diagnostic method developed utilizing the AddHealth data was first developed by Cleveland et al. (2001). Fleming et al. (2017) extend the method to be generalizable to every wave of the AddHealth. Fleming et al. (2017) argue that the method used by Cleveland et al. (2001) was developed and tested only using Wave II of the AddHealth. If the gender diagnostic method is valid, the results should be similar across all waves of the AddHealth. Fleming et al. (2017) develop a method that is theoretically grounded, transparently explained, and empirically more reliable than the original method of Cleveland et al. (2001).

multi-step process. The process involves a) identifying predictors of gender typicality b) specifying an empirical model to predict gender and c) using predictions from the empirical model to construct a continuous measure of gender typicality. Measures of gender typicality have primarily been utilized to understand gendered differences in health outcomes and risky behaviors (Shakya et al. (2019); Wilkinson et al. (2018); Mahalik et al. (2015)). Thus, our use of gender typicality to understand labor market outcomes represents an expansion of the scope of applications it can explain.

A fundamental aspect of the empirically driven approach is that we select predictors of gender typicality separately for each wave. Thus, our measure - and how we construct it - varies over time. This variation reflects the notion that gender is a constructed identity produced via behaviors performed in relationships with others within a particular social context (West and Zimmerman 1987; Butler 2013, 1990). Our approach embodies the notion that the behaviors that constitute masculine and feminine identities can differ across place and time. This is an advantage relative to more constructivist approaches that anchor measurement within a particular context and time (Bem 1974).

Following the steps of the Fleming et al. (2017) process, we first identify the subset of survey questions related to an individual's behavior and preferences in each wave of the AddHealth.[10] We also exclude any question with more than 300 missing responses. In each wave, we take the subset of questions that remain to specify an empirical model of gender. We calculate the difference between male and female responses to each question and keep the 50 questions with the most significant differences between male and female respondents. We use these 50 variables in a manual backward stepwise logit regression to predict the likelihood a respondent is female. After each iteration, we drop those questions that were insignificant predictors. We then re-estimate the model with the remaining variables. We continue this process until all remaining variables

[10]We exclude questions related to one's gender (such as menstruation) because they perfectly predict sex, are demographic because they do not reflect gender, or not referring actively to the respondent (e.g., partner's perceptions of the respondent) because they are not about the respondent.

have a p-value of less than 0.0001. After completing the stepwise elimination of insignificant predictors, we are left with an empirical specification we can leverage to generate measures of gender typicality. We regress the selected variables on an indicator variable for being female using a logit regression. Specifically, we estimate:

$$Female_{it} = \alpha + \beta_1 X_1 + \beta_2 X_2 + ... + \beta_n X_n + \epsilon_{it} \tag{1}$$

where $Female_{it}$ is a dummy variable equal to 1 if respondent i surveyed in wave t is female. The independent variables used in the equation are individual i's responses to the question X within each wave. Tables A1 to A3 detail the questions that we use to estimate equation 1. These tables highlight that characteristics typically associated with masculinity and femininity, such as risk-taking (Bem 1974), are important determinants of gender typicality. However, as expected, the characteristics and behaviors associated with gender typicality are much broader. The frequency of crying is the largest predictor of being female in Wave II of the AddHealth. Other questions highly predictive of gender in Wave II include frequency of playing sports, getting into a serious physical fight, tanning in the summer or a tanning bed, and frequency of wearing a seat belt. These questions highlight the key theoretical idea that gender is performed through a variety of behaviors and characteristics. These characteristics reinforce commonly held notions of behavioral differences between men and women (for example, in their decision to wear a seat belt or a helmet). While some individual questions may not have a clear link to productivity or characteristics perceived to be relevant in the labor market, these behaviors collectively reflect characteristics and choices individuals make in their behavior that is read by society as ”masculine” or ”feminine.”

We predict the probability a respondent is female using the estimated coefficients. For ease of interpretation, we standardize the probability an individual is female to be mean zero with a standard deviation of one by sex. For men, we multiply the normalized score by negative one so that it reflects the probability of an individual to be male. These scores can be understood as a measure of distance. The higher the value of an individual's AGT score, the more gender-typical that individual is relative to the average man or woman in that wave of the AddHealth. The mean and standard deviation vary in each wave, so our measure naturally evolves as individuals age, which is a methodological improvement over measures such as the BSRI or Cleveland et al. (2001) who anchor their measures at a single point in time.

The characteristics of our measure of gender typicality suggest that it is a plausible measure of gender typicality. First, the differences among men and women in the predicted probability of being female are as expected; women are more likely to be predicted female than men (see Figure 1 which shows the distribution of the probability female). The model clearly differentiates between men and women. Importantly, there is also significant variation in gender typicality within each sex. Second, gay and bisexual men are significantly less gender-typical than heterosexual men (with a prominently lower likelihood of having the lowest probability of being female), which is consistent with the existing gender diagnostic research discussed above. Lesbian and bisexual women are also less gender-typical than heterosexual women, though the difference is small.[11]

The characteristics of our measure of gender typicality suggest that it is relevant for the study of labor market outcomes. The AGT measure is strongly correlated with marriage, an outcome related to earnings. In Wave IV data (when respondents are in between the ages of 24 and 32), we find gender typicality is correlated with being married among heterosexuals (Table A6).[12] There is a negative correlation among men, indicating that more gender-typical men marry later. On the other hand, a positive correlation exists among women, indicating that gender-typical women marry earlier.

In addition to being correlated with factors that affect earnings, our measure of gender typi-

[11] These differences between heterosexual and sexual minorities remain significant even in a regression framework that predicts differences in AGT by sexual orientation conditional on the host of demographic characteristics listed in Equation 2 below (see Table A4).

[12] We restrict this analysis to only heterosexuals because marriage was not legally available to all sexual minorities during Wave IV. The significant correlation persists in a regression framework that predicts marriage among heterosexuals conditional on the host of demographic characteristics listed in Equation 2 below.

cality is correlated with the gendered perceptions of others. The perception of others is important as it relates to characteristics that an employer may observe, either in an interview or in the workplace. In Wave V, individuals report the extent to which their appearance is perceived as feminine or masculine.[13] Our measure of AGT is correlated with perceptions of masculinity and femininity. Gender typicality among men is positively correlated – and gender typicality among women is negatively correlated with – the likelihood of reporting a masculine appearance, style, or dress (see Appendix Table A5).

3.4 AddHealth Demographic Characteristics

Table 1 describes the observed characteristics of our Add Health sample. Consistent with previous demographic research, we document differences by sexual orientation in the racial and ethnic characteristics of respondents. Sexual minorities are more likely to be white and less likely to be black than heterosexuals. Sexual minority men are more likely to be Asian than heterosexual men, but sexual minority women are less likely to be Asian than heterosexual women. This pattern holds as well for Hispanic identities.

We also find that among men, sexual minorities are more educated than heterosexuals in the AddHealth sample. Sexual minority men are more likely to obtain a bachelor's degree or a graduate degree and less likely to receive only a high school diploma. There are no significant differences among women in education. Sexual minority women and heterosexual women obtain college and graduate degrees at very similar rates.

[13] Specifically respondents are asked "A person's appearance, style, or dress may affect the way people think of them. On average, how do you think people would describe your appearance, style, or dress?" Responses range from 1 "very feminine" to 7 " very masculine." The unconditional correlation between AGT and masculine appearance is -0.1325 for women and 0.0899 for men.

3.5 Regression Framework

We begin by estimating labor market outcomes, Y_{ist}, in specifications that replicate the differentials previously observed in the AddHealth (Sabia 2014, 2015), with the addition of the Wave V data. We use Wave III, IV, and V data to construct a repeated cross-section of individuals. We estimate differentials in log annual income, log hourly wages, employment status, and hours worked per week. Our wage outcome is bottom coded at \$2.13 per hour (the tipped federal minimum wage throughout Waves III to V) and top coded at \$500 per hour. We include controls for individuals having top or bottom coded wages. Approximately 4.9% of employed respondents had hourly wages below \$2.13 per hour, and 0.04% had hourly earnings greater than \$500. We estimate the models for men and women separately.

$$Y_{ist} = +\beta LGB_{it} + \delta \mathbf{X}_{it} + \sigma_s + \theta_t + \epsilon_{ist} \tag{2}$$

Our analysis includes many controls ($\mathbf{X}_i$) that are available in the American Community Survey and other U.S.-based public use micro-sample. $\mathbf{X}_i$ contains controls for age and age squared as well as indicators for race (White, Black, Asian), a Hispanic ethnicity, cohabitation status, educational attainment (High School Diploma, Bachelors Degree, Graduate Degree) as well as current enrollment in school, and occupational attainment. Following Sabia (2014), we include individual-level controls for cognitive ability, physical appearance, physical health, and religiosity.[14] We add fixed-effects for high schools (σ_s), capturing unobserved differences in high schools and proxying for unobserved community-level differences.[15] Following Sabia (2014), we use the unweighted data from the Add Health. We include wave fixed effects (θ_t). Standard errors are

[14]In addition to the above controls, Sabia (2014) includes controls for engaging in risky behavior, personality, and mental health. We do not use these controls because many of them appear in the measure of adherence to gender-typical norms from Fleming et al. (2017). Their inclusion would potentially be collinear with the gender typicality measure. If we include both these measures in the wage regression, the results are very similar, but the coefficients on AGT is slightly attenuated. Our results are also qualitatively similar if we omit the individual-level controls included in Sabia (2014)

[15]In some specifications discussed below, we also add in controls for sexual minority specific state laws on marriage, discrimination adoption and hate crime laws. These are only observable in Wave III and IV.

clustered at the school-wave level.

We identify the average gap between LGB individuals and heterosexual individuals with β_1, the effect of sexual orientation on outcomes. If $\hat{\beta}_1$ is negative, it indicates that LGB individuals experience lower outcomes than heterosexuals. Based on the previous literature, we expect to find $\hat{\beta}_1$ is negative for LGB men, but zero or positive for LGB women.

$$Y_{ist} = +\beta_1 LGB_{it} + \beta_2 AGT_{it-1} + \beta_3(AGT_{it-1} \times LGB_{it}) + \delta\mathbf{X}_{it} + \sigma_s + \theta_t + \epsilon_{ist} \qquad (3)$$

We augment equation 2 with our measure of gender typicality to investigate the impact of gender typicality on labor market outcomes.[16] We lag the AGT measure by one wave to avoid reverse causality between labor market outcomes (such as income) and the activities that an individual engages in. We include an interaction between the lagged gender typicality measure and the sexual orientation indicator to allow the effect of gender typicality to vary for LGB individuals and heterosexual individuals. Therefore, β_2 represents the effect of a one standard deviation increase in the AGT score, and β_3 represents the differential effect of AGT on sexual minorities.

If gender typicality or masculinity is the omitted variable that explains the sexual orientation differentials, we would expect β_1 to decline and become insignificant when controlling for AGT. β_2 should be statistically significant.

[16]Including these AGT measures introduces the possibility that these estimates may overstate statistical significance due to our use of a generated regressor (Murphy and Topel 2002). Therefore, our results are the upper-bound of the effect that AGT has on the sexual orientation wage gap. This bias does not pose a large problem for us because we largely find null results for the effect of gender typicality. The null result of gender typicality does not appear to arise due to over controlling. Our pattern of results is also present in alternative specifications that only include a limited vector of basic demographic controls.

4 Results

We begin by presenting results based on Equation 2, estimating average labor market outcomes without controlling for AGT. These specifications closely follow Sabia (2014). The top panel reports the results for men, and the bottom panel reports the results for women. In both panels, columns 1, 4, 7, and 10 report our baseline estimates of differences in labor market outcomes for sexual minorities. We then add the control for AGT (columns 2, 5, 8, 11) and its interaction with an indicator for a lesbian/gay/bisexual identity (columns 3, 6, 9, 12).

Gay and bisexual men have annual incomes that are 21% less than comparable heterosexual men (column 1). This is approximately $9,700 less per year. Controlling for AGT does little to explain this difference. After controlling for AGT in column 2, the income gap between gay and bisexual men and heterosexual men decreases from 21% to 20%. The estimated impact of AGT on annual incomes is marginally significant. It suggests that men who have AGT scores one standard deviation above the mean earn annual incomes that are 3% higher. When we allow the effect of AGT to differ by sexual orientation (column 3), there is no significant change in the income gap; it returns to its original size of 21%. There is no evidence that the effect of AGT varies by sexual orientation among men. The coefficient on the interaction between AGT and gay/bisexual men is both small and not statistically significant.

We document a similar pattern on the wages margin. Gay and bisexual men have hourly wages that are 11% lower than comparable heterosexual men (column 4). This is approximately $2.34 less per hour. Controlling for AGT does not impact the wage penalty (column 5). For all men, a one standard deviation increase in AGT above the mean increases the wages of men by 2%. When the effect of AGT is allowed to differ by sexual orientation (column 6), there is no significant change in the wage penalty. The differential effect of AGT for gay/bisexual men is small and statistically insignificant. This result suggests that AGT matters for wages, and there is scope for more work to understand this relationship, but this relationship does not explain the wage gap for gay and bisexual men.

There are no significant differences in employment rates of gay and bisexual men and heterosexual men (column 7).[17] After controlling for AGT (column 8), there is no change to the average difference in employment between gay and bisexual men and heterosexual men. Neither do we find that AGT is correlated with differences in employment for men on average. This pattern is repeated when allowing the effect of AGT to differ by sexual orientation (column 9). The differential effect of AGT on gay and bisexual men is close to zero and not significant. These results suggest that labor supply on the extensive margin is not related to gender typicality in men.

There are significant differences in hours worked per week for men (column 10). Gay and bisexual men work 1.85 hours per week less than heterosexual men, explaining why the wage gap among gay men is smaller than the income gap. The difference in hours falls to 1.74 hours when controlling for AGT (column 11). As expected, increases in AGT increase hours of work for all men. A one standard deviation increase in AGT is correlated with a 0.24 hour per week increase in hours worked. Allowing the effect of AGT to vary by sexual orientation (column 12) increases the difference in hours worked per week to 2.03 hours. Here, we find evidence of a differential effect of AGT for sexual minorities. A one standard deviation increase in AGT increases hours of work among heterosexual men by 0.30 hours but decreases hours worked among gay and bisexual men by 0.68 hours. AGT is clearly correlated with and may be an important determinant of hours worked for men. This is not surprising. Time spent in paid (household) labor is one way through which masculine (feminine) identities are expressed (Goldin 2014; Bertrand et al. 2015), and labor supply patterns are correlated with local gender norms (Fortin 2005). However, in this case AGT cannot explain the difference in hours worked between gay/bisexual and heterosexual men.

Moving to Panel B of Table 2, there is little evidence that AGT can explain labor market outcomes among women. In the AddHealth sample, there is a marginally significant difference

[17] One might expect to find differences in employment due to gay and bisexual men obtaining more years of schooling. We control for years of education and being enrolled in school, which would account for any differences due to educational obtainment.

in annual incomes for lesbian and bisexual women (column 1). Their annual incomes are 5%, approximately $1745, less per year. The lower earnings among lesbian women we document here are in contrast to much of the existing literature we discuss above. This may be in part due to age. The AddHealth sample is younger than the greater population, and young lesbians appear to fare worse than their older counterparts (Martell 2019). Controlling for AGT does little to explain the income differential. When controlling for AGT (column 2), the income gap between lesbian and bisexual women and heterosexual women is unchanged. The estimated impact of AGT is negative and not significant. Allowing the effect of AGT to differ by sexual orientation (column 3), leads to a very small change in the income gap; it rises to 6%. There is evidence that the effect of AGT varies by sexual orientation among women. The average effect of AGT for all women is close to zero, but the coefficient on the interaction between AGT and lesbian/bisexual women is marginally significant. A one standard deviation increase in AGT decreases the wages of lesbian and bisexual women by 5%.

We document a similar pattern on the wages margin. Lesbian and bisexual women have hourly wages that are 5% lower than comparable heterosexual women (column 4). This is approximately $0.93 less per hour. Controlling for AGT does not impact the wage penalty (column 5). For all women, a one standard deviation increase in AGT decreases wages 1%. Allowing the effect of AGT to differ by sexual orientation (column 6) does not change in the wage penalty. However, AGT is only statistically significant (even though small) among lesbian and bisexual women. This result suggests that AGT may matter for wages, but this relationship does not explain the wage gap for lesbian and bisexual women.

There are small and marginally significant differences in employment rates of lesbian and bisexual women relative to heterosexual women (column 7). Lesbian and bisexual women are 1% less likely to be employed.[18] Controlling for AGT (column 8) does not change the average

[18] Given this significant difference in employment rates, we have run selection corrected estimates of columns 1 through 6 (results available upon request). Because the difference is only 1%, the effect of correcting for selection was negligible.

difference in employment between lesbian and bisexual women and heterosexual women. Neither is AGT correlated with differences in employment for women on average. This pattern is the same when allowing the effect of AGT to differ by sexual orientation (column 9). The differential effect of AGT on lesbian and bisexual women is small and not significant. Similar to the results for men, these results suggest that labor supply on the extensive margin is not related to gender typicality in women.

Unlike men, there are no significant differences in hours worked per week among women (column 10). The lack of any large and statistically significant difference in hours worked persists when controlling for AGT (column 11). This result is similar to that found for men. Increases in AGT decrease hours of work for women. A one standard deviation increase in AGT is correlated with a 0.26 hour per week decrease in hours worked, indicating that women who behave less like the average woman work more. The difference in hours worked remains unchanged when allowing the effect of AGT to vary by sexual orientation (column 12). There is no evidence of a differential effect of AGT for sexual minorities. A one standard deviation increase in AGT decreases hours of work among heterosexual women by 0.27 hours. AGT is clearly correlated with and may be an important determinant of hours worked for women, but we find no evidence that it can differently affect sexual minority women.

The results in Table 2 provide evidence that gender typicality plays an important role in the labor market outcomes of men (affecting both earnings and labor supply), with a more limited role in the labor supply of women. We find few cases where the effect of AGT is different for LGB individuals, and we do not find that labor market differentials decrease when we control for AGT. Therefore, the evidence does not support the hypothesis that AGT comprises an important omitted variable that can explain the sexual orientation wage differential in previous studies.

Our evidence allows us to rule out gender typicality explaining labor market differentials for lesbian, gay, and bisexual individuals. For example, take the wage gap we observe for gay and bisexual men in Table 2. The average AGT for gay and bisexual men is -0.46. If one were to shift the average gay and bisexual men to the maximum AGT score for heterosexual men (which is 1.16), the increase in wages for gay men would only be 3.24%. Given that the 95% confidence interval for the wage differential is -17.15% to -4.48%, even such an extreme increase in AGT among sexual minority men would not be enough to eliminate the wage differential. Similar exercises yield similar results for differences in annual income and hours worked for gay and bisexual men. For women, there is no significant effect of AGT on wages and income, and the sign of the coefficients suggest that an increase in AGT would decrease wages and income, again allowing one to rule out AGT as an explanation for the labor market differentials observed in the data.

4.1 Robustness Analysis

Given the robust results we have found supporting the argument that AGT does not explain the labor market differences observed for sexual minorities, we now turn to a series of robustness checks. These robustness checks relax methodological choices embedded in the baseline empirical strategy. We consider three alternative methods: separately identifying homosexuals and bisexuals, allowing for nonlinear effects of AGT, and finally allowing the effect of AGT to vary across waves.

We begin by estimating a more flexible specification that includes separate indicators for bisexuals and gays/lesbians. Table 3 highlights a key insight that bisexual individuals have outcomes that are different from gays and lesbians. Consistent with the existing literature Sabia (2015, 2014), these specifications show that labor market differentials are larger among bisexual individuals than their gay and lesbian counterparts. The differences are most pronounced among men. For example, the annual income (columns 1-3) and hours worked (columns 10-12) gaps are much larger for bisexual men than gay men. However, none of the labor market gaps meaningfully decline (and increase on the hours worked margin in columns 10-12) once specifications control for AGT or allow the effect of AGT to vary by sexual orientation.[19] Among women, labor market differentials are similar in size between lesbian and bisexual women but only statistically significant among bisexual women.[20] On each margin, controlling for AGT and allowing AGT to vary by sexual orientation has no discernible effect on labor market differentials. Therefore, results from this more flexible specification reproduce the primary results discussed above that AGT does not explain differential labor market outcomes. [21]

Next, we turn our attention to the possibility of nonlinear effects of AGT. The results above control for AGT linearly. AGT could have a nonlinear effect if larger deviations from average are disproportionately punished or rewarded. Table 4 reports results based on specifications that allow for nonlinearities. Each row reports the average differential between LGB individuals and heterosexual individuals from specifications that include the full set of controls listed in equation 3 with varying forms of AGT. The first row of each panel in Table 2 reprints the average differentials from columns 3, 6, 9, and 12 in Table 2, which uses a first-order polynomial. The next three rows increase the order of the polynomial (second to fourth-order).

These results in Table 4 show that the inability of AGT to explain differentials for sexual minorities is not driven by our decision to control for AGT linearly. Table 4 provides some evidence that there may be nonlinearities of AGT on the hours of work margin (column 4), which may lead to nonlinearities in income (column 1) for men and women.[22] However, the nonlinearity on the hours worked margin suggests our estimates may be conservative. The point estimates of hours differentials get larger as we increase the polynomial. In all cases, it is important to note that

[19]At most, the point estimate of the wage gap statistically insignificantly declines from 13% to 10% when in specifications that allow AGT to differentially affect gay and bisexual men

[20]An exception is that the difference in hours worked is larger among bisexual women, but the lesbian and bisexual gap are both statistically insignificant.

[21]We also find a similar pattern of results when limiting our definition of a sexual minority as those who identified as such throughout Wave III to Wave V (Table A8). Those who consistently identify as LGB may be more likely to differ in their AGT if sexual minorities invest in their identity by rejecting that which is typical for their gender. They may also be more likely to have disclosed their identity. However, results based on this specification are qualitatively similar to those discussed above.

[22]For men, the income gaps shrink (from 21% to a statistically insignificant but meaningfully large 14%) as we increase the order of the polynomial. For women, the income gap increases from 6% to 10% and becomes more statistically significant as the polynomial of AGT increases.

the point estimates from specifications of different polynomials are not statistically significantly different. Moreover, estimates of wage and employment differentials (columns 2 and 3) are largely unchanged. None of these results suggest that AGT explains these sexual orientation based differentials.

Finally, we turn our attention to the time-varying effects of AGT. In the baseline estimation, the effect of AGT is constrained to be constant across waves. It may be the case that the effect of gender typicality changes with age in a manner that differs for sexual minorities. Table 5 interacts the wave fixed-effects with AGT. Allowing the effect of AGT to vary over time does not affect the labor market differentials observed in the baseline results in Table 2. The point estimates in Table 5 are nearly identical to the baseline estimates. For both men and women, there is no significant difference in the effect of AGT on heterosexuals and sexual minorities in any wave. These results further confirm the null results discussed above. There is no evidence that allowing for more flexible forms of controlling for AGT impact the labor market differentials observed for sexual minorities.

5 Heterogeneous Effects of AGT

Given the robustness of the null effects to alternative specifications of our model, we now turn our attention to the potential for the null effects observed in our baseline estimations to be driven by heterogeneous effects of AGT. Heterogeneous effects may arise if demographic characteristics are associated with the incidence and costs of disclosure of sexual orientation or workplace values. We explore if more flexible empirical specifications that allow the effect of AGT to vary across demographic characteristics can reduce labor market differentials. We explore heterogeneity across race and ethnicity, educational obtainment, cohabitation status, and the gender composition of occupations. The labor market differentials for sexual minorities conditional on these heterogeneous effects of AGT by demographic characteristics are reported in Table 6. We provide the full results of each heterogeneous effect in Appendix Tables A10 to A13.

First, we consider heterogeneous effects by educational obtainment. A sexual minority identity may motivate sexual minorities to invest more heavily in their education (Burn and Martell 2020). The increased education may reflect efforts by sexual minorities to sort into careers with less discrimination or an increased ability to manage the selective disclosure of their sexual orientation. The different occupations and careers selected by higher educated workers may reward gender typicality differently than the occupations and careers of less-educated workers. We investigate this heterogeneity by augmenting Equation 3 with interaction terms between the LGB indicator and whether or not an individual completed a bachelor's degree. For men, we find that allowing for heterogeneity by cohabitation status has no effect on the labor market differences for gay and bisexual men. The gaps in earnings (column 1), wages (column 2), employment (column 3), and hours worked (column 4) are all identical to the baseline results in Table 2. We find some evidence that gay/bisexual men with a bachelor's degree may have a higher return to AGT in terms of wages (Appendix Table A10). Still, there are no differential effects for gay men by education in any of the other outcomes. For women, we also observe no changes in the labor market differentials. The gaps in earnings (column 1), wages (column 2), and employment (column 3) are all identical to the baseline results in Table 2, and hours worked (column 4) has only increased from 0.18 to 0.19. We do not find any evidence of a differential effect of AGT on lesbian and bisexual women by education (Appendix Table A10). The results suggest there is very little heterogeneity by education, and this does not explain the null results found in our baseline estimation.

Next, we turn our attention to occupations. Disclosure of sexual orientation and the impact of AGT may also depend on the environment in which sexual minorities work. The environment may matter if the effect of AGT depends on workplace gender norms. We proxy workplace gender norms by calculating the percent of individuals in each occupation that is female. We allow the effect of AGT to vary by sexual orientation as well as indicators for occupations with a high concentration of females (66% or higher female), gender-neutral (33% to 65% female) or low concentration of females (33% or less female).[23] For men, we find that allowing for heterogeneity by occupation reduces some of the labor market differences for gay and bisexual men, but does not eliminate them. We find that allowing for occupational heterogeneity in the effect of AGT reduces the income gap from 21% in the baseline estimation to 18% (column 1). There is no effect on the wage gap (column 2) or the employment gap (column 3). Allowing for occupational heterogeneity reduces the hours worked per week gap from 2.03 hours to 1.75 hours (column 4). For women, we observe much smaller changes in the labor market differentials. The gap in earnings increases by 1% (column 1) from 6% to 7%. Wages (column 2) and employment (column 3) remain the same. The hours worked gap fall from 0.18 hours to 0.15 hours (column 4). The results suggest there is a small amount of heterogeneity by occupation, but not enough to explain the labor market differentials observed in our baseline estimation.

The insignificant effect of AGT is also present across several racial and ethnic subgroups of the LGB population. The effect of deviating from AGT may have differential effects based on their deviation from racial and ethnic stereotypes. In particular, racial and ethnic stereotypes are often intertwined with notions of masculinity and femininity. We present results based on a specification that includes interaction terms between sexual orientation, race/ethnicity, and AGT. For men, we find that allowing for heterogeneity by race and ethnicity has negligible effects on the labor market differences for gay and bisexual men. Any effects observed modestly increases – not decreases – labor market differentials. We find that allowing for heterogeneity by race and ethnicity in the effect of AGT increases the income gap from 21% in the baseline estimation to 22% (column 1). There is no effect on the wage gap (column 2) or the employment gap (column 3). Allowing for occupational heterogeneity increases the hours worked per week gap from 2.03 hours to 2.09 hours (column 4). For women, labor market differentials are unaffected. The gaps in earnings (column 1), wages (column 2), employment (column 3), and hours worked (column

[23] In alternative specifications, we also found qualitatively similar results when we allow the effect of AGT to vary by sexual orientation across the full distribution of the percent female in each occupation.

4) are all identical to the baseline results in Table 2. Taken together, the results suggest that heterogeneous effects of AGT by race/ethnicity and sexual orientation cannot explain the labor market differentials.

Finally, we explore heterogeneity by cohabitation status. Sexual minorities who cohabit may be less able to hide their sexual orientation given the social dynamic of many workplaces.[24] Table A13 reports results from a specification that includes interaction terms between indicators for LGB identity, cohabitation status, and AGT. For men, we find that allowing for heterogeneity by cohabitation status has no effect on the labor market differences for gay and bisexual men. The gaps in earnings (column 1), wages (column 2), employment (column 3), and hours worked (column 4) are all identical to the baseline results in Table 2. For women, we also observe no changes in the labor market differentials. The gaps in earnings (column 1), wages (column 2), and employment (column 3) are all identical to the baseline results in Table 2, and hours worked (column 4) has only fallen from 0.18 to 0.17. Taken together, the evidence supports the conclusion that heterogeneous effects of AGT by sexual orientation and cohabitation cannot explain labor market differentials for sexual minorities.

The evidence in this section does not suggest that heterogeneous effects of AGT confound our baseline estimates that showed that AGT could not explain labor market differentials for sexual minorities. On the contrary, estimates of labor market differentials for sexual minorities in specifications allowing for heterogeneous effects were remarkably similar to those in our baseline estimates. The differences observed were all increases in the size of the differences, and they were never significantly different from the baseline estimates. This pattern of results mirrors the robustness of our estimates that allowed for a nonlinear effect of AGT and allowed the impact of AGT to vary over time. The evidence from this paper provides no support for the argument that AGT is an important omitted variable in estimates of economic outcomes for sexual minorities.

[24]The effect of disclosure, the discrimination it may motivate, and the effect of AGT may depend on the legal protections protecting sexual minorities. Legal protections for sexual minorities are observable in waves III and IV of the data. In Table A7, we show allowing the effect of AGT and sexual orientation to differ by the presence of anti-discrimination laws does not affect our main pattern of results.

6 Conclusion

We directly test the hypothesis put forth by many that differences in masculinity and femininity can explain sexual minority labor market differentials. We leverage the detailed data in the AddHealth surveys to construct a novel measure of adherence to gender typicality that has almost exclusively been used in public health research. The results provide convincing evidence that differences in gender typicality among sexual minorities do not explain differences in their labor market outcomes relative to heterosexuals.

In this paper, we present new evidence that the Fleming et al. (2017) measure of gender typicality has valid empirical uses in economics. First, our measure of gender typicality replicates many patterns found in the existing research on gender typicality. We show that sexual minorities are more likely to be gender atypical than their heterosexual counterparts, that gay men exhibit more gender atypicality than lesbian women, and that women have a wider range of behavior than men. Importantly, these patterns persist as individuals age into adulthood.

We find significant differences in the labor market outcomes of sexual minorities in the AddHealth, which remained significant after controlling for gender typicality. In Waves III to V of the Addhealth, gay and bisexual men earn approximately 20% less annually and 11% less hourly than heterosexual men. The smaller hourly wage differential in part reflects that gay and bisexual men work fewer hours than heterosexual men. Differences among women are less pronounced. Lesbian and bisexual women earn approximately 5% less annually and per hour than heterosexual women. They are slightly (1%) less likely to be employed. The evidence that gender typicality does not explain labor market differentials survived many additional sub-sample analyses, as well as alternative empirical specifications.

The inability of gender typicality or other demographic characteristics to explain differences in labor market outcomes is an important contribution to policy-making and future academic work. First, our results provide convincing evidence that gender typicality cannot explain labor market differentials which suggests that estimates with the more limited controls found in the data sets most often used to investigate sexual orientation related outcomes (such as the ACS) are not biased due to the inability to control for gender typicality.[25] Second, our results suggest that other explanations for the sexual orientation labor market differentials may be more salient. The most obvious of which is discrimination. Our evidence provides support for discriminatory explanations of the differences, which suggests that federal employment protections for sexual minorities may be an important policy for promoting equality in the workplace.

It is important to emphasize that we are not claiming that gender typicality does not matter for labor market outcomes. Indeed, there is evidence that AGT affects the labor market outcomes of men and women. Gender typicality is significantly correlated with labor market outcomes for men. A one standard deviation increase in AGT was associated with a 3% increase in annual income, a 2% increase in hourly wages, and a 0.24 hour per week increase in work. Gender typicality is less significantly correlated with labor market outcomes for women. A one standard deviation increase in AGT was associated with a 1% decrease in hourly wages and a 0.26 hour per week decrease in work. These effects suggest an important role for employment policies promoting equality by gender. The remuneration of gender typicality for men may reflect the impact of implicit biases towards feminine characteristics, which may be more difficult to detect and remedy than outright animus. The evidence that gender-typical men earn more than gender-atypical men suggests that these biases may disadvantage men in addition to women. More evidence is needed on the outcomes of gender-atypical individuals and the discrimination they may face in the labor market.

Future work on the outcomes of gender-atypical individuals will contribute to a better understanding of the manifestation of the source of gender differentials in general. Our results indicate that adherence to gender-typical norms is associated with positive labor market outcomes for

[25] To speak more concretely to the previous literature, we restrict our controls to only those available in non-AddHealth sources such as the NHIS or the ACS and then control for gender typicality. The results in Table A9 is similar to what we observed in many of our other analyses. Controlling for AGT does not eliminate the differences, and when the differentials do change they often grow larger.

men, more hours worked for women, and possibly, but not robustly observed, higher wages. These patterns suggest a potentially unexplored explanation that will contribute to understanding variation in the size of gender gaps observed in different populations. With respect to the results of this paper, future research should build on the evidence presented here to investigate differential perceptions of gender typicality of sexual minorities in the workplace to paint a clearer picture of perception versus reality. Future work should also investigate other margins where gender typicality may be more salient for sexual minorities, many of which will evolve over time as the AddHealth cohort ages. They may include the impact of gender typicality on educational outcomes, cohabitation, occupational attainment, promotions, and wage trajectories.

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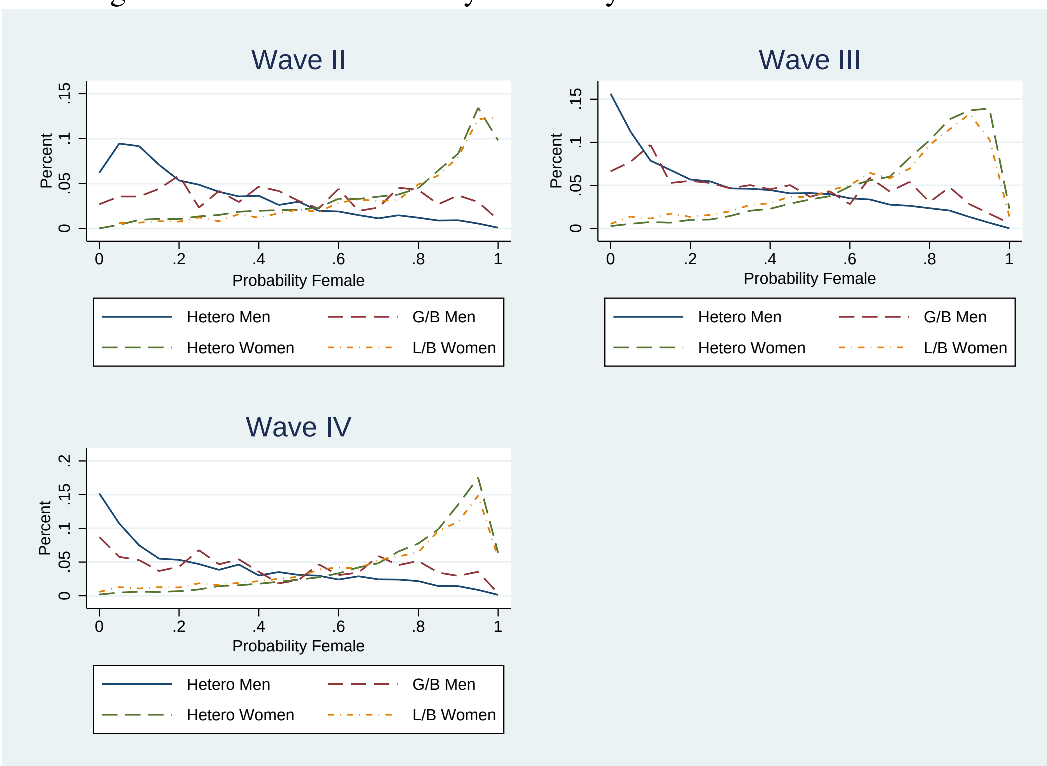
Figure 1: Predicted Probability Female by Sex and Sexual Orientation



Note: Authors' calculations from Add Health waves III, IV and V (Harris and Udry 2018). For each respondent, predicted probability is based on Fleming et al. (2017). See section 3.4 for further detials. Tables A1 to A3 report the variables used in each wave.

Table 1: Descriptive Statistics of the AddHealth Sample

	(1) G/B men	(2) Hetero. men	(3) L/B women	(4) Hetero. women
Outcomes				
Annual Income	$43005.7	$46568.4*	$35996.1	$34918.1
	(41821.8)	(52000.7)	(42047.8)	(40631.2)
Hourly wages	$20.97	$21.30	$19.17	$18.45
	(21.74)	(24.24)	(26.82)	(22.61)
Employed	0.884	0.857**	0.826	0.846**
	(0.320)	(0.351)	(0.379)	(0.361)
Hours worked per week	41.22	43.73***	38.70	38.16**
	(12.20)	(12.19)	(11.59)	(11.17)
Demographics				
Age	30.23	29.54***	30.09	29.53***
	(5.860)	(5.823)	(5.717)	(6.014)
HS graduate	0.0841	0.148***	0.0910	0.0833
	(0.278)	(0.356)	(0.288)	(0.276)
College graduate	0.243	0.188***	0.206	0.214
	(0.429)	(0.391)	(0.404)	(0.410)
Graduate school	0.151	0.0989***	0.158	0.167
	(0.358)	(0.299)	(0.365)	(0.373)
Peabody score	65.64	54.02***	57.99	50.39***
	(28.12)	(28.14)	(29.02)	(29.03)
White	0.710	0.692	0.708	0.643***
	(0.454)	(0.462)	(0.455)	(0.479)
Black	0.148	0.165	0.180	0.226***
	(0.355)	(0.371)	(0.384)	(0.419)
Asian	0.0768	0.0752	0.0598	0.0664
	(0.266)	(0.264)	(0.237)	(0.249)
Other Race	0.0841	0.0851	0.0796	0.0825
	(0.278)	(0.279)	(0.271)	(0.275)
Hispanic	0.174	0.155**	0.133	0.151**
	(0.379)	(0.362)	(0.340)	(0.358)
Observations	690	8926	2122	9419

Note: Authors' calculations based on Add Health waves III, IV, and V (Harris and Udry 2018). Means and standard deviations are reported in parentheses.
* p<0.10 ** p<0.05 *** p<0.01

Table 2: Effect of Controlling for AGT on Labor Market Differentials

Men	(1) Income	(2) Income	(3) Income	(4) Wages	(5) Wages	(6) Wages	(7) Employed	(8) Employed	(9) Employed	(10) Hours	(11) Hours	(12) Hours
Gay/Bisexual	-0.21***	-0.20***	-0.21***	-0.11***	-0.10***	-0.11***	0.01	0.01	0.01	-1.85***	-1.74***	-2.03***
	(0.06)	(0.06)	(0.06)	(0.03)	(0.03)	(0.03)	(0.01)	(0.01)	(0.01)	(0.54)	(0.52)	(0.56)
Lagged AGT		0.03*	0.03*		0.02**	0.02***		-0.00	-0.00		0.24**	0.30**
		(0.01)	(0.01)		(0.01)	(0.01)		(0.00)	(0.00)		(0.12)	(0.13)
Gay/Bisexual × Lagged AGT			-0.02			-0.01			-0.00			-0.68*
			(0.06)			(0.02)			(0.01)			(0.40)
Adj. R Squared	0.374	0.374	0.374	0.582	0.582	0.582	0.430	0.430	0.430	0.147	0.147	0.147
N	10630	10630	10630	9616	9616	9616	11257	11257	11257	9616	9616	9616
Women	(1) Income	(2) Income	(3) Income	(4) Wages	(5) Wages	(6) Wages	(7) Employed	(8) Employed	(9) Employed	(10) Hours	(11) Hours	(12) Hours
Lesbian/Bisexual	-0.05*	-0.05*	-0.06*	-0.05***	-0.05***	-0.05***	-0.01*	-0.01*	-0.01**	0.22	0.18	0.18
	(0.03)	(0.03)	(0.03)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)	(0.32)	(0.32)	(0.32)
Lagged AGT		-0.02	-0.00		-0.01**	-0.01		-0.00	0.00		-0.26**	-0.27**
		(0.01)	(0.01)		(0.01)	(0.01)		(0.00)	(0.00)		(0.11)	(0.13)
Lesbian/Bisexual × Lagged AGT			-0.05*			-0.02			-0.01			0.03
			(0.03)			(0.02)			(0.01)			(0.30)
Adj. R Squared	0.330	0.330	0.330	0.579	0.579	0.579	0.496	0.496	0.496	0.120	0.120	0.120
N	13171	13171	13171	11541	11541	11541	14514	14514	14514	11541	11541	11541

Note: Authors' calculations based on Add Health waves III, IV, and V (Harris and Udry 2018). Adherence to gender typicality (AGT) is measured in the preceding wave using the method developed by Fleming et al. (2017). Drawing on Sabia (2014), controls used in the regression include race, educational obtainment, occupation, physical and health characteristics, religiosity, marital and cohabitation status, high-school fixed effects, and wave fixed effects. Standard errors are reported in parentheses and have been clustered at the school level.

* p<0.10 ** p<0.05 *** p<0.01

Table 3: The Effect of Controlling for AGT on Labor Market Differentials Differentiating Between Homosexuals and Bisexuals

Men	(1) Income	(2) Income	(3) Income	(4) Wages	(5) Wages	(6) Wages	(7) Employed	(8) Employed	(9) Employed	(10) Hours	(11) Hours	(12) Hours
Gay	-0.08	-0.06	-0.13	-0.13**	-0.12**	-0.10*	0.02	0.02	0.04	-1.19	-0.99	-1.85*
	(0.10)	(0.10)	(0.13)	(0.05)	(0.05)	(0.06)	(0.02)	(0.02)	(0.03)	(0.87)	(0.84)	(1.00)
Bisexual	-0.26***	-0.25***	-0.25***	-0.10***	-0.10***	-0.11***	0.00	0.00	0.00	-2.12***	-2.04***	-2.16***
	(0.07)	(0.07)	(0.07)	(0.03)	(0.04)	(0.04)	(0.01)	(0.01)	(0.01)	(0.59)	(0.59)	(0.61)
Lagged AGT		0.03**	0.03*		0.02**	0.02***		-0.00	-0.00		0.25**	0.30**
		(0.01)	(0.01)		(0.01)	(0.01)		(0.00)	(0.00)		(0.12)	(0.13)
Gay × Lagged AGT			-0.09			0.02			0.03			-1.12*
			(0.09)			(0.04)			(0.02)			(0.65)
Bisexual × Lagged AGT			0.03			-0.03			-0.01			-0.41
			(0.07)			(0.03)			(0.01)			(0.48)
Adj. R Squared	0.374	0.375	0.375	0.582	0.582	0.582	0.430	0.430	0.430	0.147	0.147	0.147
N	10630	10630	10630	9616	9616	9616	11257	11257	11257	9616	9616	9616

Women	(1) Income	(2) Income	(3) Income	(4) Wages	(5) Wages	(6) Wages	(7) Employed	(8) Employed	(9) Employed	(10) Hours	(11) Hours	(12) Hours
Lesbian	0.05	0.04	0.04	-0.03	-0.04	-0.07	-0.01	-0.01	-0.03	1.00	0.83	0.52
	(0.09)	(0.09)	(0.09)	(0.06)	(0.06)	(0.06)	(0.03)	(0.03)	(0.04)	(0.96)	(0.97)	(1.16)
Bisexual	-0.06*	-0.06*	-0.06*	-0.05***	-0.05***	-0.05***	-0.01*	-0.01*	-0.01*	0.18	0.15	0.15
	(0.03)	(0.03)	(0.03)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)	(0.33)	(0.33)	(0.33)
Lagged AGT		-0.01	-0.00		-0.01**	-0.01		-0.00	0.00		-0.26**	-0.27**
		(0.01)	(0.01)		(0.01)	(0.01)		(0.00)	(0.00)		(0.11)	(0.13)
Lesbian × Lagged AGT			-0.01			-0.05			-0.03			-0.42
			(0.07)			(0.05)			(0.03)			(0.91)
Bisexual × Lagged AGT			-0.05			-0.02			-0.01			0.08
			(0.03)			(0.02)			(0.01)			(0.31)
Adj. R Squared	0.330	0.330	0.330	0.579	0.579	0.579	0.496	0.496	0.496	0.120	0.120	0.120
N	13171	13171	13171	11541	11541	11541	14514	14514	14514	11541	11541	11541

Note: Authors' calculations based on Add Health waves III, IV, and V (Harris and Udry 2018). Adherence to gender typicality (AGT) is measured in the preceding wave using the method developed by Fleming et al. (2017). Drawing on Sabia (2014), controls used in the regression include race, educational obtainment, occupation, physical and health characteristics, religiosity, marital and cohabitation status, high-school fixed effects, and wave fixed effects. Standard errors are reported in parentheses and have been clustered at the school level.
* p<0.10 ** p<0.05 *** p<0.01

Table 4: LGB Differentials After Varying Polynomial of AGT

Men	(1) Income	(2) Wages	(3) Employed	(4) Hours
1^{st} order polynomial of AGT	-0.21***	-0.11***	0.01	-2.03***
	(0.06)	(0.03)	(0.01)	(0.56)
2^{nd} order polynomial of AGT	-0.17**	-0.12***	-0.00	-2.59***
	(0.08)	(0.04)	(0.02)	(0.76)
3^{rd} order polynomial of AGT	-0.15	-0.09**	0.01	-2.84***
	(0.10)	(0.05)	(0.03)	(0.90)
4^{th} order polynomial of AGT	-0.14	-0.09**	0.02	-2.83***
	(0.10)	(0.05)	(0.03)	(0.92)

Women	(1) Income	(2) Wages	(3) Employed	(4) Hours
1^{st} order polynomial of AGT	-0.06*	-0.05***	-0.01**	0.18
	(0.03)	(0.02)	(0.01)	(0.32)
2^{nd} order polynomial of AGT	-0.08**	-0.07***	-0.01	-0.22
	(0.04)	(0.02)	(0.01)	(0.41)
3^{rd} order polynomial of AGT	-0.10*	-0.05*	0.01	-0.89*
	(0.05)	(0.03)	(0.01)	(0.49)
4^{th} order polynomial of AGT	-0.10**	-0.05*	0.01	-0.86*
	(0.05)	(0.03)	(0.02)	(0.49)

Note: Authors' calculations based on Add Health waves III, IV, and V (Harris and Udry 2018). Estimated coefficients report average labor market differentials between sexual minorities and heterosexuals. The first row corresponds to the baseline results. Each subsequent row increases the order of the polynomial of AGT. AGT is measured in the preceding wave using the method developed by Fleming et al. (2017). Drawing on Sabia (2014), controls used in the regression include race, educational obtainment, occupation, physical and health characteristics, religiosity, marital and cohabitation status, high-school fixed effects, and wave fixed effects. Standard errors are reported in parentheses and have been clustered at the school level.

* $p<0.10$ ** $p<0.05$ *** $p<0.01$

Table 5: Effect of AGT Across Waves

Men	(1) Income	(2) Wages	(3) Employed	(4) Hours
Gay/Bisexual	-0.20***	-0.11***	0.01	-2.04***
	(0.06)	(0.03)	(0.01)	(0.56)
Lagged AGT	0.06	0.02	0.00	0.62**
	(0.04)	(0.01)	(0.00)	(0.28)
Lagged AGT× Wave IV	-0.03	0.00	-0.01*	-0.43
	(0.04)	(0.02)	(0.01)	(0.35)
Lagged AGT× Wave V	-0.06	-0.01	0.01*	-0.36
	(0.05)	(0.02)	(0.00)	(0.38)
Gay/Bisexual × Lagged AGT	0.07	-0.02	0.01	-1.10
	(0.14)	(0.05)	(0.01)	(0.78)
Gay/Bisexual × Lagged AGT× Wave IV	-0.14	0.02	-0.03	0.33
	(0.13)	(0.06)	(0.02)	(0.89)
Gay/Bisexual × Lagged AGT× Wave V	-0.20	-0.01	-0.00	-0.12
	(0.14)	(0.06)	(0.01)	(0.93)
Adj. R Squared	0.375	0.582	0.430	0.147
N	10630	9616	11257	9616

Women	(1) Income	(2) Wages	(3) Employed	(4) Hours
Lesbian/Bisexual	-0.06*	-0.05***	-0.01**	0.18
	(0.03)	(0.02)	(0.01)	(0.32)
Lagged AGT	0.02	-0.00	0.00	0.21
	(0.04)	(0.01)	(0.00)	(0.27)
Lagged AGT× Wave IV	-0.02	-0.01	0.00	-0.63**
	(0.05)	(0.02)	(0.01)	(0.31)
Lagged AGT× Wave V	-0.03	-0.01	0.00	-0.61*
	(0.05)	(0.02)	(0.00)	(0.37)
Lesbian/Bisexual × Lagged AGT	-0.10	0.01	-0.00	-0.29
	(0.10)	(0.04)	(0.00)	(0.68)
Lesbian/Bisexual × Lagged AGT × Wave IV	0.05	-0.02	-0.01	-0.08
	(0.10)	(0.04)	(0.01)	(0.67)
Lesbian/Bisexual × Lagged AGT × Wave V	0.02	-0.06	-0.00	-0.34
	(0.10)	(0.04)	(0.01)	(0.74)
Adj. R Squared	0.330	0.579	0.496	0.120
N	13171	11541	14514	11541

Note: Authors' calculations based on Add Health waves III, IV, and V (Harris and Udry 2018). See Table 2 for a description of the data. In this table, we modify Equation 3 by interacting wave fixed effects with AGT.
* p<0.10 ** p<0.05 *** p<0.01

Table 6: Results Allowing for Heterogeneous Effects of AGT

Men	(1) Income	(2) Wages	(3) Employed	(4) Hours
A. Baseline	-0.21***	-0.11***	0.01	-2.03***
	(0.06)	(0.03)	(0.01)	(0.56)
B. College education	-0.21***	-0.11***	0.01	-2.03***
	(0.06)	(0.03)	(0.01)	(0.56)
C. Occupation gender composition	-0.18***	-0.11***	0.02	-1.75***
	(0.06)	(0.03)	(0.01)	(0.56)
D. Race	-0.22***	-0.11***	0.01	-2.09***
	(0.06)	(0.03)	(0.01)	(0.56)
E. Cohabitation status	-0.21***	-0.11***	0.01	-2.03***
	(0.06)	(0.03)	(0.01)	(0.56)
Women	**(1) Income**	**(2) Wages**	**(3) Employed**	**(4) Hours**
A. Baseline	-0.06*	-0.05***	-0.01**	0.18
	(0.03)	(0.02)	(0.01)	(0.32)
B. College education	-0.06*	-0.05***	-0.01**	0.19
	(0.03)	(0.02)	(0.01)	(0.32)
C. Occupation gender composition	-0.07**	-0.05***	-0.01*	0.15
	(0.03)	(0.02)	(0.01)	(0.32)
D. Race	-0.06*	-0.05***	-0.01**	0.18
	(0.03)	(0.02)	(0.01)	(0.32)
E. Cohabitation status	-0.06*	-0.05***	-0.01**	0.17
	(0.03)	(0.02)	(0.01)	(0.32)

Note: Authors' calculations based on Add Health waves III, IV, and V (Harris and Udry 2018). The adherence to gender typicality (AGT) is measured in the preceding wave using the method developed by Fleming et al. (2017). Drawing on Sabia (2014), controls used in the regression include race, educational obtainment, occupation, physical and health characteristics, religiosity, marital and cohabitation status, high-school fixed effects, and wave fixed effects. We report the labor market differentials for sexual minorities obtained when we augment Equation 3 to allow AGT to differ by a demographic characteristics (e.g., college education, the gender composition of an occupation, race/ethnicity, or cohabitation status). The models have been fully specified, with the demographic characteristic interacted with AGT, sexual orientation, and both AGT and sexual orientation, but those results are not shown in this table for parsimony. See Appendix Tables A10 to A13 for the full results. Standard errors are reported in parentheses and have been clustered at the school level.
* $p<0.10$ ** $p<0.05$ *** $p<0.01$

7 Appendix Tables and Figures

Table A1: Wave II AGT Model Questions

Importance	Question
1	Frequency of crying
2	Frequency of sunbathing in the summer
3	Frequency of playing an active sport
4	How you think of yourself in terms of weight
5	Have you ever driven a car
6	Frequency of doing work around the house
7	Likely to use sunscreen
8	You like to take risks
9	Frequency of poor appetite
10	Difficult problems make you very upset
11	Hours per week playing video/computer games
12	How much do you feel that your friends care about you?
13	Past 12 months, how often get into a serious physical fight
14	You will graduate from college
15	You received testing/treatment for an STI/AIDS in past year
16	Past 12 months, how often deliberately damage property
17	Times used sunlamp or a tanning bed in your life
18	You like yourself just the way you are
19	You live without much thought for the future
20	Number of past thirty days chewed tobacco
21	Frequency of wearing a helmet while cycling
22	You felt you were just as good as other people
23	Frequency wearing a seatbelt in the car
24	How honestly answered questions
25	You felt lonely
26	Frequency of moodiness
27	You are emotional

Notes: Questions are ordered from most important to least important. See section 3.3 for a description of question selection. Source: Fleming et al. (2017).

Table A2: Wave III AGT Model Questions

Importance	Question
1	You were sad, during the past 7 days
2	In past 7 days, how many times doing work around the house
3	What do you think of yourself in terms of weight?
4	In past 7 days, how many times did you participate in gymnastics, weight lifting
5	I can do a good job stretching the truth when I talk to people
6	Hours per week playing video/computer games
7	How many times engage in a hobby (e.g. play cards, arts and crafts, musical, etc.)
8	In past 7 days, how many times did you rollerblade/ski/racquet sports or aerobics ?
9	You like to take risks
10	Have you used legal performance enhancing substances for athletes (i.e. creatine)
11	In past 7 days, how many times did you participate in strenuous team sport
12	Do you own a handgun?
13	Past 12 months, how often deliberately damage property that wasnt yours
14	In past 7 days, how many times hang with friends or talk on the telephone for more than 5 min?
15	Number of past thirty days chewed tobacco
16	Have you ever been expelled from school
17	Past 12 months, how often take part in physical fight where your group against another group
18	Have you ever paid someone to have sex with you?
19	Have you ever played games for money or taken part in another type of gambling for money?
20	In past 7 days, how many times did you walk for exercise
21	In past 7 days, how many times did you bike/skate/dance/skateboard
22	In past 7 days, how many times did you watch TV in the past seven days
23	How important is being faithful is for a successful marriage?

Notes: Questions are ordered from most important to least important. See section 3.3 for a description of question selection. Source: Fleming et al. (2017).

Table A3: Wave IV AGT Model Questions

Importance	Question
1	Have you ever used chewing tobacco at least 20 times in your entire life?
2	Have you ever been arrested?
3	When you go outside on a sunny day for more than one hour, how likely are you to use sunscreen or sunblock?
4	I have a vivid imagination
5	I dont talk a lot
6	I sympathize with others feelings
7	In the past seven days, how many times did you participate in gymnastics, weight lifting, or strength training?
8	Hours per week playing video/computer games
9	In past 7 days, how many times did you walk for exercise
10	I have frequent mood swings
11	How often do you pray privately?
12	During typical summer week, how many hours do you spend in the sun during the day?
13	Have you ever been in the military?
14	In the past 7 days, how many times did you participate in strenuous team sports such as football, soccer, basketball, lacrosse, rugby, field hockey, or ice hockey?
15	In the past 7 days, you felt too tired to do things.
16	I worry about things
17	Compared to other people your age, how intelligent are you?
18	I am not interested in other peoples problems
19	I like to take risks
20	In the past 24 h, have you participated in vigorous activity long enough to work up a sweat, get your heart thumping, or get out of breath?
21	I get stressed out easily
22	I am not really interested in others.

Notes: Questions are ordered from most important to least important. See section 3.3 for a description of question selection. Source Fleming et al. (2017).

Table A4: Effect of Controls on AGT

	(1) Men	(2) Women
LGB	-0.46***	-0.13***
	(0.04)	(0.02)
Age	-0.02	0.11***
	(0.03)	(0.03)
Age × Age	-0.00	-0.00**
	(0.00)	(0.00)
High School	-0.04	0.01
	(0.03)	(0.03)
Bachelors	-0.05	-0.06**
	(0.04)	(0.03)
Post-Bachelors	-0.12***	-0.06**
	(0.04)	(0.03)
Enrolled	-0.04	-0.02
	(0.03)	(0.02)
White	-0.05	0.27***
	(0.07)	(0.06)
Black/AA	0.13*	-0.12*
	(0.08)	(0.06)
Asian	-0.06	0.01
	(0.08)	(0.05)
Other Race	-0.02	0.22***
	(0.10)	(0.07)
Hispanic	-0.06	-0.02
	(0.05)	(0.04)
Currently Cohabiting	-0.01	0.04**
	(0.02)	(0.02)

Note: Authors' calculations based on Add Health waves III, IV and V (Harris and Udry 2018). The adherence to gender typicality (AGT) is measured in the preceding wave using the method developed by Fleming et al. (2017). Drawing on Sabia (2014), controls used in the regression include race, educational obtainment, occupation, physical and health characteristics, religiosity, marital and cohabitation status, high-school fixed effects, and wave fixed effects. Standard errors are reported in parentheses and have been clustered at the school-level.
* $p<0.10$ ** $p<0.05$ *** $p<0.01$

Table A5: Correlation Between AGT and Physical Appearance

	(1) Men	(2) Women
LGB	-0.54***	0.35***
	(0.07)	(0.04)
Lagged AGT	0.06***	-0.08***
	(0.01)	(0.02)
Adjusted R Squared	0.111	0.155
N	2955	4314

Note: Authors' calculations based on Add Health Wave V data (Harris and Udry 2018). The adherence to gender typicality (AGT) is measured in the preceding wave using the method developed by Fleming et al. (2017). Drawing on Sabia (2014), controls used in the regression include race, educational obtainment, occupation, physical and health characteristics, religiosity, and high-school fixed effects. Standard errors are reported in parentheses and have been clustered at the school-level.
* p<0.10 ** p<0.05 *** p<0.01

Table A6: Correlation Between AGT and Marriage Among Heterosexuals

	(1) Men	(2) Women
Lagged AGT	-0.01***	0.02***
	(0.01)	(0.01)
Adjusted R Squared	0.434	0.424
N	4820	5034

Note: Authors' calculations based on Add Health wave IV (Harris and Udry 2018). The adherence to gender typicality (AGT) is measured in the preceding wave using the method developed by Fleming et al. (2017). Drawing on Sabia (2014), controls used in the regression include race, educational obtainment, occupation, physical and health characteristics, religiosity, and high-school fixed effects. Standard errors are reported in parentheses and have been clustered at the school-level.
* p<0.10 ** p<0.05 *** p<0.01

Table A7: Effect of AGT Interacted with Employment Nondiscrimination Acts (ENDA)

Men	(1) Income	(2) Wages	(3) Employed	(4) Hours
Gay/Bisexual	-0.25***	-0.13***	0.02	-1.98***
	(0.09)	(0.04)	(0.02)	(0.74)
Lagged AGT	0.09***	0.01	-0.00	0.70***
	(0.03)	(0.01)	(0.01)	(0.23)
Gay/Bisexual × No ENDA × Lagged AGT	-0.10	-0.01	0.02	-1.04
	(0.11)	(0.04)	(0.02)	(0.74)
Gay/Bisexual × ENDA × Lagged AGT	-0.04	-0.00	-0.02	-1.03
	(0.10)	(0.04)	(0.02)	(0.66)
Adj. R Squared	0.317	0.540	0.343	0.171
N	7629	6922	8226	6922

Women	(1) Income	(2) Wages	(3) Employed	(4) Hours
Lesbian/Bisexual	-0.07	-0.05**	-0.02*	0.18
	(0.05)	(0.02)	(0.01)	(0.34)
Lagged AGT	-0.02	-0.00	0.00	-0.00
	(0.03)	(0.01)	(0.01)	(0.20)
Lesbian/Bisexual × No ENDA× Lagged AGT	-0.01	-0.05*	-0.01	-0.30
	(0.06)	(0.03)	(0.01)	(0.55)
Lesbian/Bisexual × ENDA× Lagged AGT	-0.04	0.01	-0.02	0.09
	(0.05)	(0.02)	(0.02)	(0.37)
Adj. R Squared	0.280	0.551	0.351	0.156
N	8839	7964	10108	7964

Note: Authors' calculations based on Add Health waves III and IV (Harris and Udry 2018). The adherence to gender typicality (AGT) is measured in the preceding wave using the method developed by Fleming et al. (2017). Drawing on Sabia (2014), controls used in the regression include race, educational obtainment, occupation, physical and health characteristics, religiosity, marital and cohabitation status, high-school fixed effects, and wave fixed effects. Standard errors are reported in parentheses and have been clustered at the school-level.
* p<0.10 ** p<0.05 *** p<0.01

Table A8: Effect of Restricting Definition of LGB to Always Identifiers

Men	(1) Income	(2) Income	(3) Income	(4) Wages	(5) Wages	(6) Wages	(7) Employed	(8) Employed	(9) Employed	(10) Hours	(11) Hours	(12) Hours
Always Gay/Bisexual	-0.15*	-0.13*	-0.07	-0.11**	-0.10**	-0.11*	0.04***	0.04**	0.05***	-1.43	-1.23	-2.05**
	(0.08)	(0.08)	(0.09)	(0.05)	(0.05)	(0.06)	(0.01)	(0.01)	(0.02)	(0.88)	(0.87)	(0.94)
Lagged AGT		0.03**	0.03*		0.02***	0.02***		-0.00	-0.00		0.27**	0.31**
		(0.01)	(0.01)		(0.01)	(0.01)		(0.00)	(0.00)		(0.12)	(0.12)
Always Gay/Bisexual × Lagged AGT			0.08			-0.01			0.02**			-1.13*
			(0.08)			(0.03)			(0.01)			(0.63)
Adj. R Squared	0.373	0.374	0.374	0.581	0.582	0.582	0.430	0.430	0.430	0.146	0.146	0.146
N	10630	10630	10630	9616	9616	9616	11257	11257	11257	9616	9616	9616
Women	(1) Income	(2) Income	(3) Income	(4) Wages	(5) Wages	(6) Wages	(7) Employed	(8) Employed	(9) Employed	(10) Hours	(11) Hours	(12) Hours
Always Lesbian/Bisexual	0.03	0.03	0.02	-0.04	-0.04	-0.04	0.01	0.01	0.00	0.69	0.62	0.64
	(0.05)	(0.05)	(0.06)	(0.03)	(0.03)	(0.03)	(0.01)	(0.01)	(0.01)	(0.50)	(0.50)	(0.52)
Lagged AGT		-0.01	-0.01		-0.01**	-0.02**		0.00	0.00		-0.26**	-0.26**
		(0.01)	(0.01)		(0.01)	(0.01)		(0.00)	(0.00)		(0.11)	(0.12)
Always Lesbian/Bisexual × Lagged AGT			-0.03			0.01			-0.02*			0.08
			(0.04)			(0.02)			(0.01)			(0.41)
Adj. R Squared	0.329	0.329	0.329	0.578	0.579	0.579	0.496	0.496	0.496	0.120	0.120	0.120
N	13171	13171	13171	11541	11541	11541	14514	14514	14514	11541	11541	11541

Note: Authors' calculations based on Add Health waves III, IV and V (Harris and Udry 2018). The adherence to gender typicality (AGT) is measured in the preceding wave using the method developed by Fleming et al. (2017). Drawing on Sabia (2014), controls used in the regression include race, educational obtainment, occupation, physical and health characteristics, religiosity, marital and cohabitation status, high-school fixed effects, and wave fixed effects. Standard errors are reported in parentheses and have been clustered at the school-level.
* $p<0.10$ ** $p<0.05$ *** $p<0.01$

Table A9: Effect of AGT Using Sample and Controls Available in Census Data

Men	(1) Income	(2) Income	(3) Wages	(4) Wages	(5) Employed	(6) Employed	(7) Hours	(8) Hours
Gay/Bisexual	-0.29***	-0.33***	-0.16***	-0.18***	-0.01	-0.01	-2.86***	-3.19***
	(0.06)	(0.06)	(0.05)	(0.05)	(0.02)	(0.02)	(0.74)	(0.73)
Lagged AGT		0.01		0.02**		0.00		-0.04
		(0.01)		(0.01)		(0.00)		(0.16)
Gay/Bisexual × Lagged AGT		-0.11**		-0.05		-0.02		-0.77
		(0.05)		(0.04)		(0.02)		(0.64)
Adj. R Squared	0.319	0.319	0.485	0.485	0.220	0.220	0.071	0.071
N	5414	5414	5223	5223	5546	5546	5223	5223

Women	(1) Income	(2) Income	(3) Wages	(4) Wages	(5) Employed	(6) Employed	(7) Hours	(8) Hours
Lesbian/Bisexual	-0.03	-0.04	-0.07***	-0.08***	0.01	0.01	0.53	0.44
	(0.03)	(0.03)	(0.02)	(0.02)	(0.01)	(0.01)	(0.42)	(0.43)
Lagged AGT		-0.02		-0.02**		0.00		-0.40**
		(0.02)		(0.01)		(0.01)		(0.17)
Lesbian/Bisexual × Lagged AGT		-0.05		-0.01		-0.02**		-0.01
		(0.04)		(0.02)		(0.01)		(0.39)
Adj. R Squared	0.278	0.279	0.515	0.515	0.373	0.374	0.054	0.055
N	6956	6956	6333	6333	7595	7595	6333	6333

Note: Authors' calculations based on Add Health waves III, IV and V (Harris and Udry 2018). The adherence to gender typicality (AGT) is measured in the preceding wave using the method developed by Fleming et al. (2017). Drawing on Sabia (2014), controls used in the regression include race, educational obtainment, occupation, physical and health characteristics, religiosity, marital and cohabitation status, high-school fixed effects, and wave fixed effects. Standard errors are reported in parentheses and have been clustered at the school-level.

* p<0.10 ** p<0.05 *** p<0.01

Table A10: Effect of AGT By College Education

Men	(1) Income	(2) Wages	(3) Employed	(4) Hours
Gay/Bisexual	-0.21***	-0.11***	0.01	-2.03***
	(0.06)	(0.03)	(0.01)	(0.56)
Lagged AGT	0.03*	0.01*	-0.00	0.21
	(0.02)	(0.01)	(0.00)	(0.14)
Gay/Bisexual × Lagged AGT	-0.02	-0.04	-0.00	-0.57
	(0.06)	(0.03)	(0.01)	(0.48)
Lagged AGT × Bachelors	0.00	0.03	-0.01	0.48*
	(0.03)	(0.02)	(0.01)	(0.28)
Gay/Bisexual× Lagged AGT × Bachelors	-0.03	0.13***	-0.01	-0.10
	(0.10)	(0.04)	(0.02)	(0.75)
Adj. R Squared	0.374	0.583	0.430	0.147
N	10630	9616	11257	9616

Women	(1) Income	(2) Wages	(3) Employed	(4) Hours
Lesbian/Bisexual	-0.06*	-0.05***	-0.01**	0.19
	(0.03)	(0.02)	(0.01)	(0.32)
Lagged AGT	0.00	-0.01	-0.00	-0.26*
	(0.01)	(0.01)	(0.00)	(0.14)
Lesbian/Bisexual × Lagged AGT	-0.05	-0.02	-0.01	-0.12
	(0.03)	(0.02)	(0.01)	(0.30)
Lagged AGT × Bachelors	-0.04	-0.02	0.01*	-0.05
	(0.03)	(0.02)	(0.01)	(0.29)
Lesbian/Bisexual × Lagged AGT × Bachelors	-0.05	-0.02	-0.01	0.68
	(0.06)	(0.04)	(0.01)	(0.55)
Adj. R Squared	0.330	0.579	0.496	0.120
N	13171	11541	14514	11541

Note: Authors' calculations based on Add Health waves III, IV and V (Harris and Udry 2018). The adherence to gender typicality (AGT) is measured in the preceding wave using the method developed by Fleming et al. (2017). Drawing on Sabia (2014), controls used in the regression include race, educational obtainment, occupation, physical and health characteristics, religiosity, marital and cohabitation status, high-school fixed effects, and wave fixed effects. The models have been fully specified, with the indicator for college education interacted with AGT and sexual orientation, but those results are not shown in this table for parsimony. Standard errors are reported in parentheses and have been clustered at the school-level.

* $p<0.10$ ** $p<0.05$ *** $p<0.01$

Table A11: Effect of AGT By Occupation Gender Composition

Men	(1) Income	(2) Wages	(3) Employed	(4) Hours
Gay/Bisexual	-0.18***	-0.11***	0.02	-1.75***
	(0.06)	(0.03)	(0.01)	(0.56)
High Female Occ. × Lagged AGT	-0.04	0.01	-0.01	0.20
	(0.03)	(0.02)	(0.01)	(0.25)
Gay/Bisexual × High Female Occ. × Lagged AGT	0.11	0.03	-0.01	0.42
	(0.09)	(0.03)	(0.01)	(0.54)
Gender Neutral Occ. × Lagged AGT	0.04**	0.02	-0.01	0.09
	(0.02)	(0.01)	(0.01)	(0.19)
Gay/Bisexual× Gender Neutral Occ. × Lagged AGT	-0.10	-0.01	-0.00	-0.60
	(0.07)	(0.03)	(0.01)	(0.57)
Low Female Occ. × Lagged AGT	0.04*	0.01	-0.00	0.52***
	(0.02)	(0.01)	(0.00)	(0.19)
Gay/Bisexual × Low Female Occ. × Lagged AGT	0.05	0.01	-0.03	-0.09
	(0.09)	(0.05)	(0.02)	(0.99)
Adj. R Squared	0.348	0.581	0.173	0.148
N	9486	9481	9896	9481

Women	(1) Income	(2) Wages	(3) Employed	(4) Hours
Lesbian/Bisexual	-0.07**	-0.05***	-0.01*	0.15
	(0.03)	(0.02)	(0.01)	(0.32)
High Female Occ. × Lagged AGT	-0.02	-0.01	0.01	-0.46**
	(0.02)	(0.01)	(0.00)	(0.18)
Lesbian/Bisexual × High Female Occ. × Lagged AGT	-0.05	-0.02	-0.02*	0.16
	(0.04)	(0.02)	(0.01)	(0.27)
Gender Neutral Occ. × Lagged AGT	0.02	-0.02	-0.01	-0.02
	(0.02)	(0.01)	(0.01)	(0.17)
Lesbian/Bisexual × Gender Neutral Occ. × Lagged AGT	-0.00	-0.01	-0.00	-0.54
	(0.03)	(0.02)	(0.01)	(0.42)
Low Female Occ. × Lagged AGT	0.04	-0.01	0.01	-0.20
	(0.06)	(0.03)	(0.01)	(0.33)
Lesbian/Bisexual × Low Female Occ. × Lagged AGT	-0.14**	-0.11***	-0.00	-0.63
	(0.06)	(0.04)	(0.02)	(0.73)
Adj. R Squared	0.321	0.579	0.239	0.120
N	11449	11443	12297	11443

Note: Authors' calculations based on Add Health waves III, IV and V (Harris and Udry 2018). See Table A10 for a descripion of the data and methodology.
* $p<0.10$ ** $p<0.05$ *** $p<0.01$

Table A12: Effect of AGT By Race

Men	(1) Income	(2) Wages	(3) Employed	(4) Hours
Gay/Bisexual	-0.22***	-0.11***	0.01	-2.09***
	(0.06)	(0.03)	(0.01)	(0.56)
Lagged AGT	0.04**	0.02**	-0.00	0.45***
	(0.02)	(0.01)	(0.00)	(0.17)
Gay/Bisexual × Lagged AGT	-0.00	-0.01	-0.00	-0.73
	(0.06)	(0.03)	(0.01)	(0.53)
Black/AA × Lagged AGT	-0.07**	-0.03**	0.00	-0.89**
	(0.03)	(0.02)	(0.01)	(0.34)
Gay/Bisexual × Black/AA × Lagged AGT	-0.33**	-0.13**	0.01	-0.53
	(0.14)	(0.06)	(0.02)	(1.21)
Asian × Lagged AGT	0.02	0.04*	0.01	-0.51
	(0.06)	(0.02)	(0.01)	(0.40)
Gay/Bisexual × Asian× Lagged AGT	-0.18	0.09	-0.01	-1.12
	(0.15)	(0.06)	(0.03)	(1.50)
Hispanic × Lagged AGT	-0.03	0.02	0.00	0.33
	(0.04)	(0.02)	(0.01)	(0.38)
Gay/Bisexual × Hispanic× Lagged AGT	0.30**	0.07*	0.00	1.32
	(0.12)	(0.04)	(0.02)	(0.95)
Other Race × Lagged AGT	0.01	-0.04	-0.00	-0.33
	(0.05)	(0.03)	(0.01)	(0.48)
Gay/Bisexual × Other Race × Lagged AGT	-0.34*	-0.11*	0.02	-1.89
	(0.17)	(0.06)	(0.02)	(1.24)
Adj. R Squared	0.375	0.583	0.429	0.147
N	10630	9616	11257	9616

Women	(1) Income	(2) Wages	(3) Employed	(4) Hours
Lesbian/Bisexual	-0.06*	-0.05***	-0.01**	0.18
	(0.03)	(0.02)	(0.01)	(0.32)
Lagged AGT	0.00	-0.00	-0.00	-0.32*
	(0.02)	(0.01)	(0.00)	(0.18)
Lesbian/Bisexual × Lagged AGT	-0.06*	-0.02	-0.00	-0.09
	(0.03)	(0.02)	(0.01)	(0.38)
Black/AA × Lagged AGT	0.01	-0.01	0.01	0.34
	(0.03)	(0.02)	(0.01)	(0.29)
Lesbian/Bisexual × Black/AA × Lagged AGT	-0.01	-0.02	0.00	0.43
	(0.07)	(0.03)	(0.02)	(0.52)
Asian × Lagged AGT	0.04	0.03	0.02	0.16
	(0.07)	(0.04)	(0.02)	(0.52)
Lesbian/Bisexual × Asian × Lagged AGT	-0.00	0.09	-0.02	-0.25
	(0.06)	(0.05)	(0.02)	(0.63)
Hispanic × Lagged AGT	-0.15***	-0.03	0.02*	-0.41
	(0.06)	(0.02)	(0.01)	(0.40)
Lesbian/Bisexual × Hispanic × Lagged AGT	0.01	-0.02	-0.00	0.46
	(0.08)	(0.06)	(0.02)	(0.79)
Other Race × Lagged AGT	0.08	-0.01	-0.01	0.18
	(0.07)	(0.03)	(0.02)	(0.45)
Lesbian/Bisexual × Other Race × Lagged AGT	0.06	-0.02	0.03	0.53
	(0.13)	(0.07)	(0.03)	(1.20)
Adj. R Squared	0.330	0.579	0.496	0.120
N	13171	11541	14514	11541

Note: Authors' calculations based on Add Health waves III, IV and V (Harris and Udry 2018). See Table A10 for a descripion of the data and methodology.
* p<0.10 ** p<0.05 *** p<0.01

Table A13: Effect of AGT by Cohabitation Status

Men	(1) Income	(2) Wages	(3) Employed	(4) Hours
Gay/Bisexual	-0.21***	-0.11***	0.01	-2.03***
	(0.06)	(0.03)	(0.01)	(0.56)
Lagged AGT	0.05*	0.02**	-0.01***	0.60***
	(0.02)	(0.01)	(0.00)	(0.21)
Gay/Bisexual × Lagged AGT	-0.00	0.00	0.01	-0.86*
	(0.07)	(0.03)	(0.01)	(0.45)
Currently Cohabiting × Lagged AGT	-0.04	-0.00	0.02**	-0.53**
	(0.03)	(0.01)	(0.01)	(0.26)
Gay/Bisexual × Currently Cohabiting × Lagged AGT	-0.11	-0.04	-0.01	-0.29
	(0.08)	(0.04)	(0.02)	(0.69)
Adj. R Squared	0.375	0.582	0.430	0.147
N	10630	9616	11257	9616

Women	(1) Income	(2) Wages	(3) Employed	(4) Hours
Lesbian/Bisexual	-0.06*	-0.05***	-0.01**	0.17
	(0.03)	(0.02)	(0.01)	(0.32)
Lagged AGT	0.00	-0.01	-0.00	-0.07
	(0.02)	(0.01)	(0.00)	(0.19)
Lesbian/Bisexual × Lagged AGT	-0.03	-0.02	0.01	0.11
	(0.05)	(0.02)	(0.01)	(0.40)
Currently Cohabiting × Lagged AGT	-0.01	-0.01	0.00	-0.38
	(0.03)	(0.01)	(0.01)	(0.26)
Lesbian/Bisexual × Currently Cohabiting × Lagged AGT	-0.04	-0.00	-0.03***	-0.50
	(0.05)	(0.03)	(0.01)	(0.41)
Adj. R Squared	0.330	0.579	0.496	0.120
N	13171	11541	14514	11541

Note: Authors' calculations based on Add Health waves III, IV and V (Harris and Udry 2018). See Table A10 for a descripion of the data and methodology.
* p<0.10 ** p<0.05 *** p<0.01