

Socioeconomic Disparities in Latin America among Same-Sex and Different-Sex Couples

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Motivation

- LGBTQ+ people represent a substantial fraction of the population, 3-10% according to IPSOS survey (2023), and even more if looking at younger generations.
- There is a lack of documented gaps in social and economic outcomes affecting this sub-population in developing countries.
- This is in part due to the absence of direct survey questions asking about gender identity and sexual orientation.
- Addressing these gaps is critical to support countries in designing effective interventions to improve the well-being and inclusion of this population.

This paper

- Merge and harmonize microdata from the censuses of **8 countries**: Argentina (2010), Brazil (2010), Chile (2017), Colombia (2018), Guatemala (2018), Mexico (2020), Peru (2017), and Uruguay (2011)
- Individuals in same-sex and different-sex couples are identified based on each household member's sex and **relationship with the household head**
- Largest LGBTQ+ dataset in low- and middle-income countries, and one of the largest ones globally
 - **115,000 same-sex couples** with 404,000 individuals living in households headed by same-sex couples
 - 26 million different-sex couples with 102 million individuals living in households headed by different-sex couples

Data accounts for 78% of the population in Latin America



Latin American context

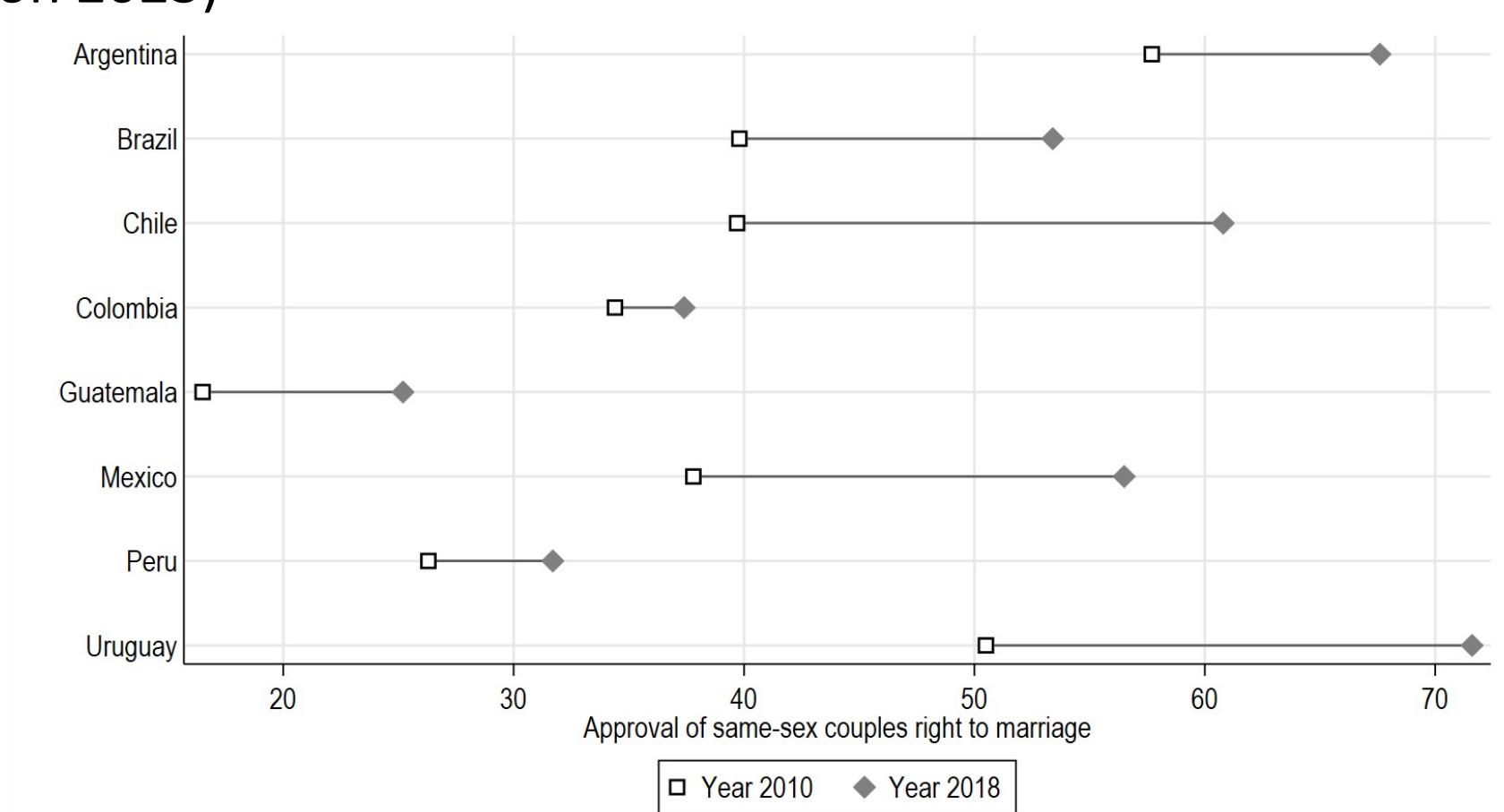
- Different steps of **economic development**
 - **GDP per capita** ranges from less than USD 11,000 in Guatemala to more than USD 30,000 in Chile (World Bank 2023)
 - Mexico joined the **OECD**, a club of mostly rich countries, in 1994, followed by Chile in 2010, and Colombia in 2020 (OECD 2023)
 - **Argentina** has faced multiple economic crises in the past decades (The Economist 2023)
 - **Peru** has some economic strengths (mining and tourism sectors) but has experienced years of political instability (Stott 2023)

Latin American context / 2

- Large variation in the **legislative framework** on LGBTQ+ rights
 - Almost all the countries in the Global South that have legalized same-sex marriage are in Latin America (Marcén and Morales 2022)
 - Same-sex marriage is still not legal in countries such as Guatemala and Peru
- Extra motivation: socio-economic disparities between same-sex and different-sex couples in Latin America may be qualitatively similar to those estimated in Europe and the US, but the **size of the gaps** may be larger

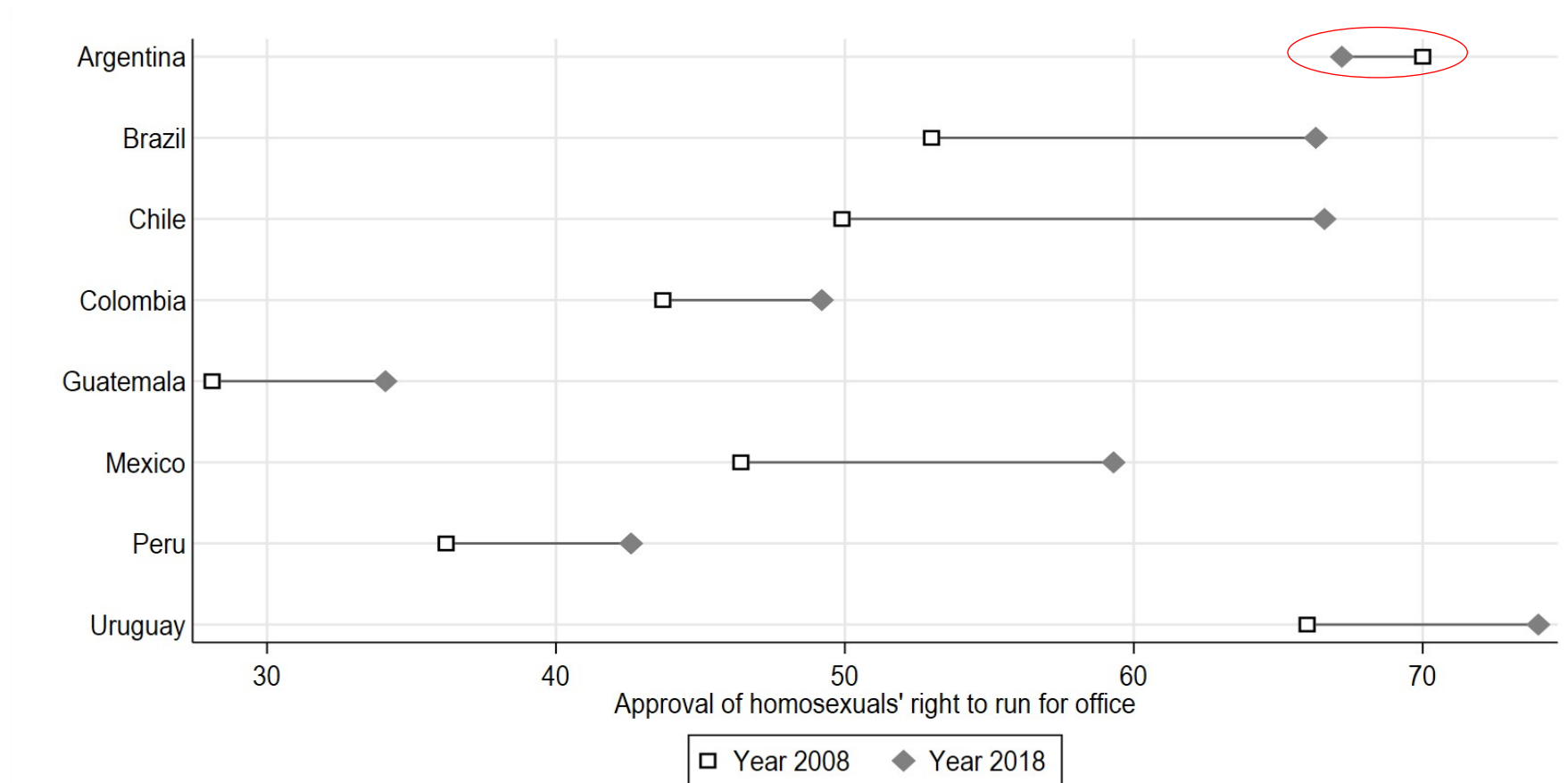
Support for same-sex marriage in these countries

- Attitudes towards sexual minorities vary substantially even among countries comparable in terms of economic activity
- Level of support for SSM is **higher** in some of these countries than in the US (Jackson 2023)



Approval of sexual minorities right to run for office

- **Increase** in support for sexual minority individuals running for office over time
- Only exception: **Argentina**



Previous literature

- Most of this literature focuses on **Brazil** using data on same-sex couples from the 2010 census (Suliano et al. 2016-2022; Jacinto et al. 2017; de Sousa et al. 2018), other national representative surveys with same-sex couples (Barbosa et al. 2020; Suliano et al. 2021; Mantovani et al. 2023), and more recent datasets with sexual orientation (Tampellini 2024)
- Brown et al. (2019): same-sex couples in **Chile and Uruguay**
- DANE (2022): same-sex couples in **Colombia**
- Nettuno et al. (2024) and Nettuno (2024) in **Chile**
- **Contribution:** additional or updated statistics on same-sex couples in Brazil, Chile, Colombia, and Uruguay and first statistics on same-sex couples for Argentina, Guatemala, Mexico, and Peru

Data

We use population and housing census microdata

- A couple composed by head of the household and their spouse or partner
- Previous research has shown that most individuals in same-sex couples are in a **romantic relationship** (Carpenter 2004)
- Survey weights used for Mexico and Brazil

Country	Year	Census Sample (%)	Population in the sample	Different-sex couples	Female same-sex couples	Male same-sex couples
Argentina	2010	10	3,966,245	727,471	1,402	984
Brazil	2010	10	20,635,472	4,121,736	2,972	2,332
Chile	2017	100	17,574,003	3,094,164	7,106	8,009
Colombia	2018	100	46,754,581	7,494,104	26,506	21,428
Guatemala	2018	100	15,665,122	2,325,745	271	372
Mexico	2020	10	15,015,683	2,675,919	11,951	23,573
Peru	2017	100	29,381,884	4,505,071	3,998	2,797
Uruguay	2011	100	3,285,877	638,230	493	819
Total			152,278,867	25,582,440	54,699	60,314

Limitations and advantages

- Main limitations:
 - No info on LGBTQ+ **single** individuals
 - No info on LGBTQ+ individuals in a relationship but not cohabiting
 - No info on **gender identity**
 - No homeless people
 - Most **bisexual** individuals are in different-sex couples

Limitations and advantages /2

- Analyzing data on same-sex couples is an **important first step** to address the historical LGBTQ+ invisibility
- A wide range of **welfare policies**, benefits, and rights are link to marriage and relationship status
- Central role played by families in many Latin American countries
- Sexual minority individuals are identified indirectly, potentially increasing **disclosure rates**
 - People may feel more comfortable answering sex and relationship questions in a government survey rather than being asked about their sexual orientation

Results

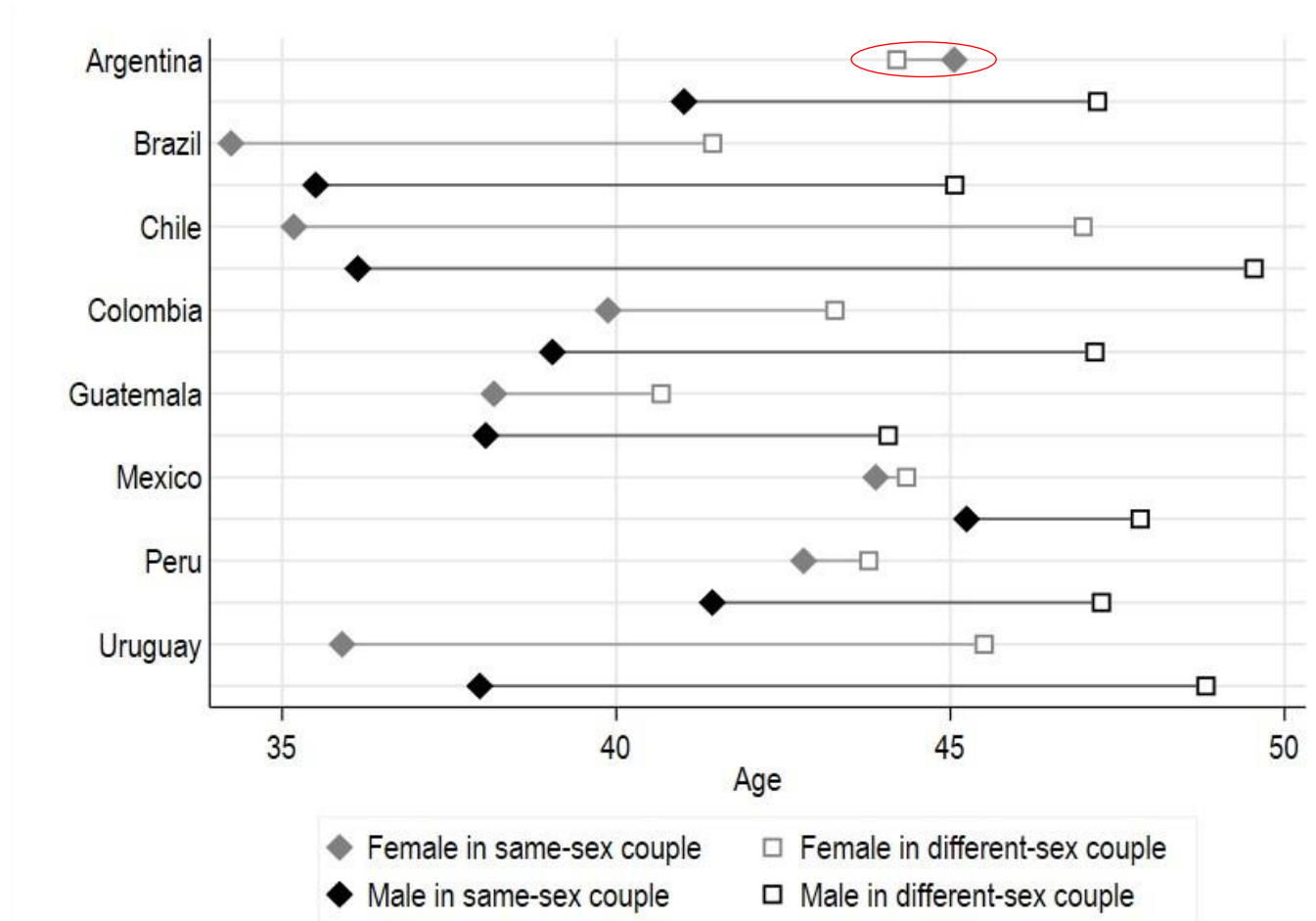
Comparison of statistics between types of couples

- Demographics
- Human Capital
- Family
- Labor Market
 - Mincer regression
- Wealth and Poverty
 - Asset Index

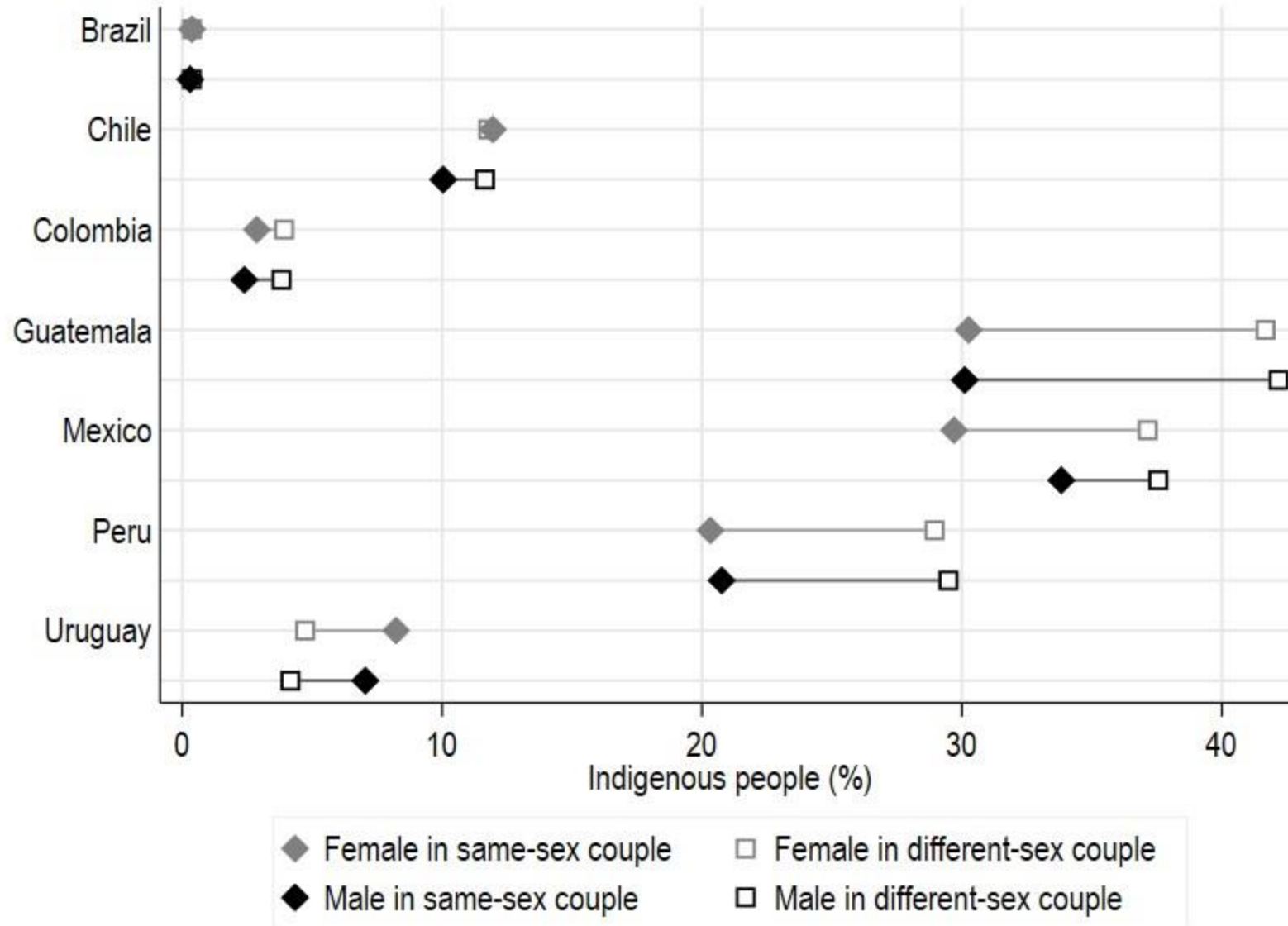
Demographics

Age

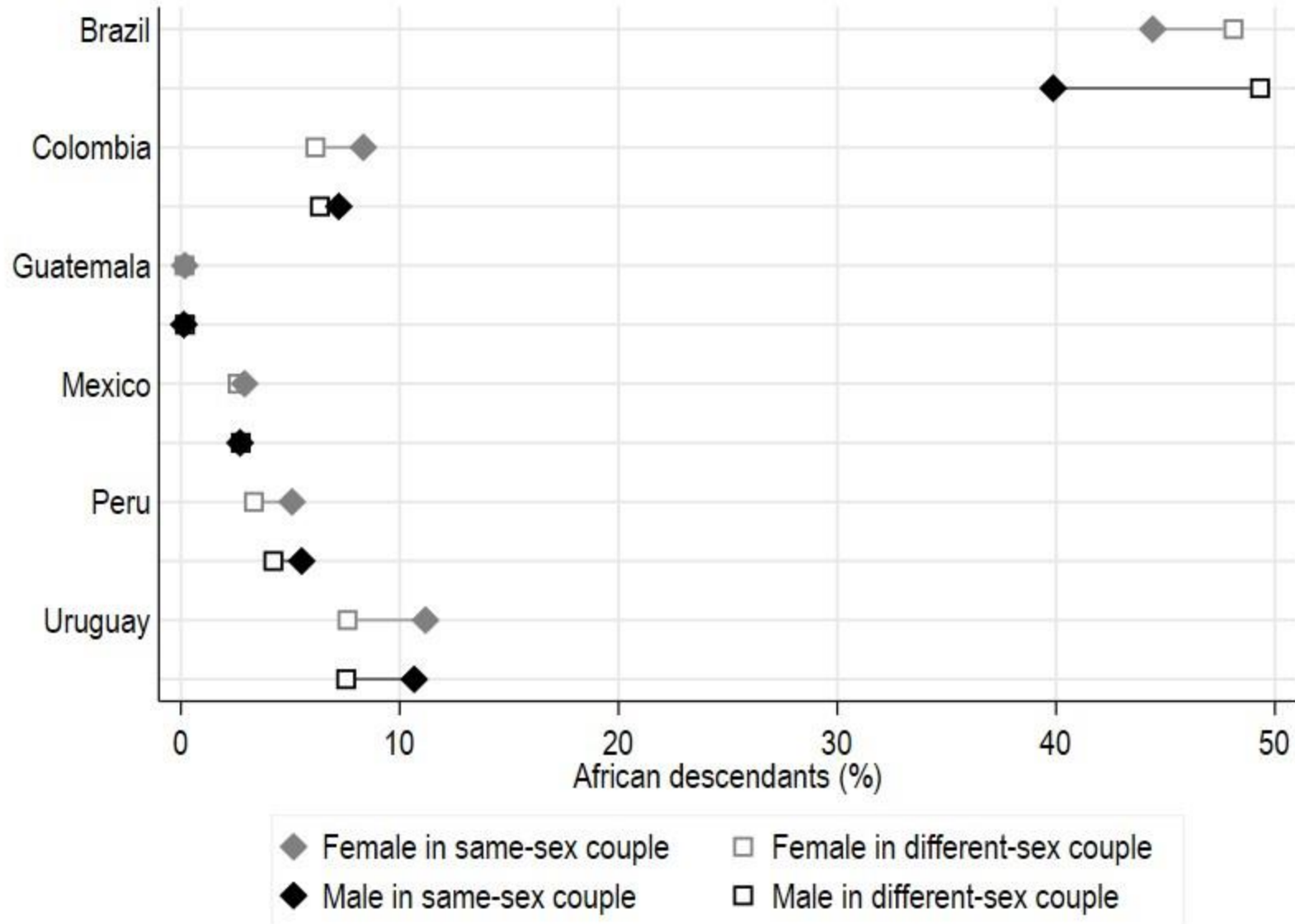
- Same-sex couples **younger** than different-sex couples
- In line with the previous literature (Badgett et al. 2021)
- Only exception Argentina for women



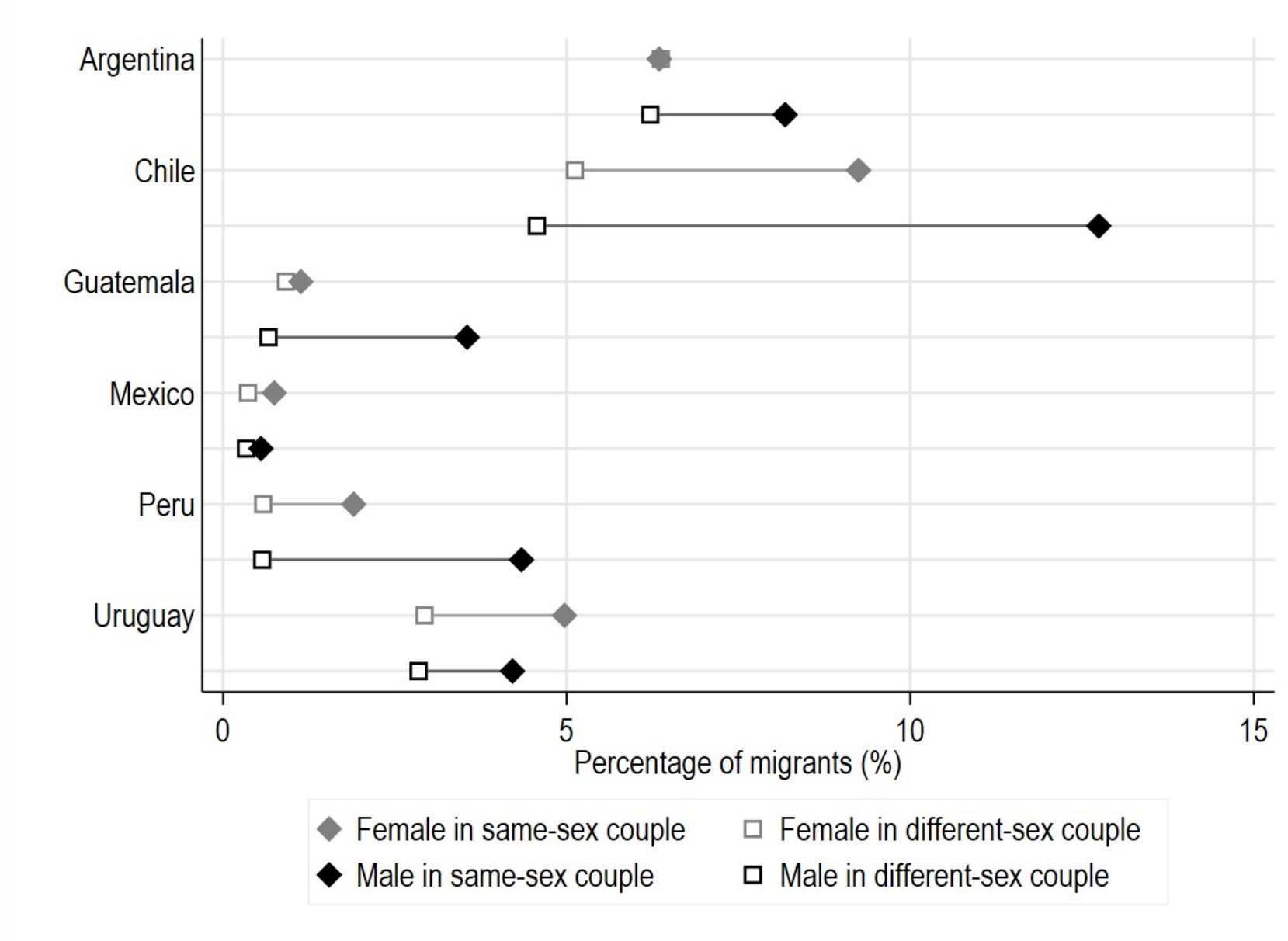
Individuals in same-sex couples are less likely to identify as Indigenous



while differentials vary across countries for African descendants



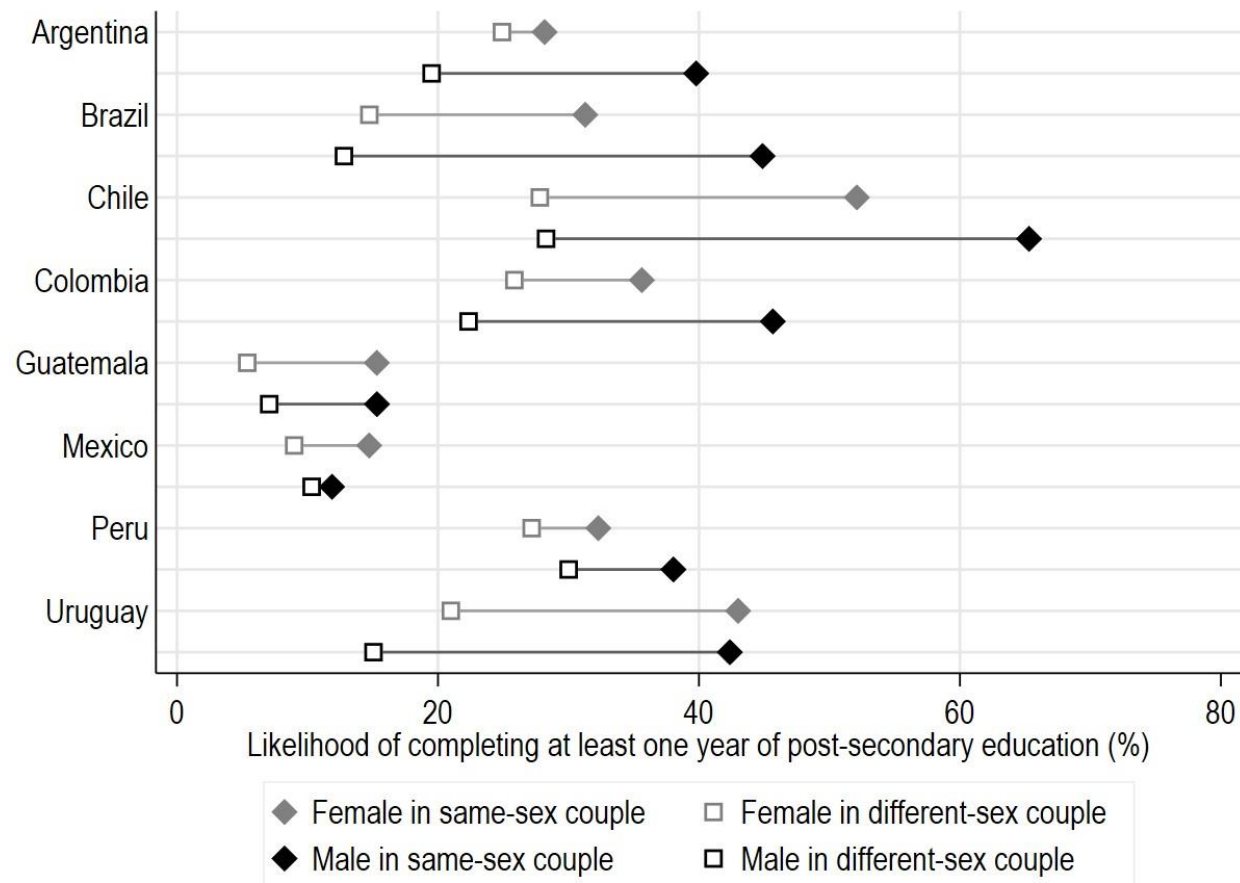
Individuals in same-sex couples more likely to be migrants



Human Capital

Education

- Both women and men in same-sex couples are **more likely** to have completed some post-secondary education
- In line with previous literature (Badgett et al. 2021)



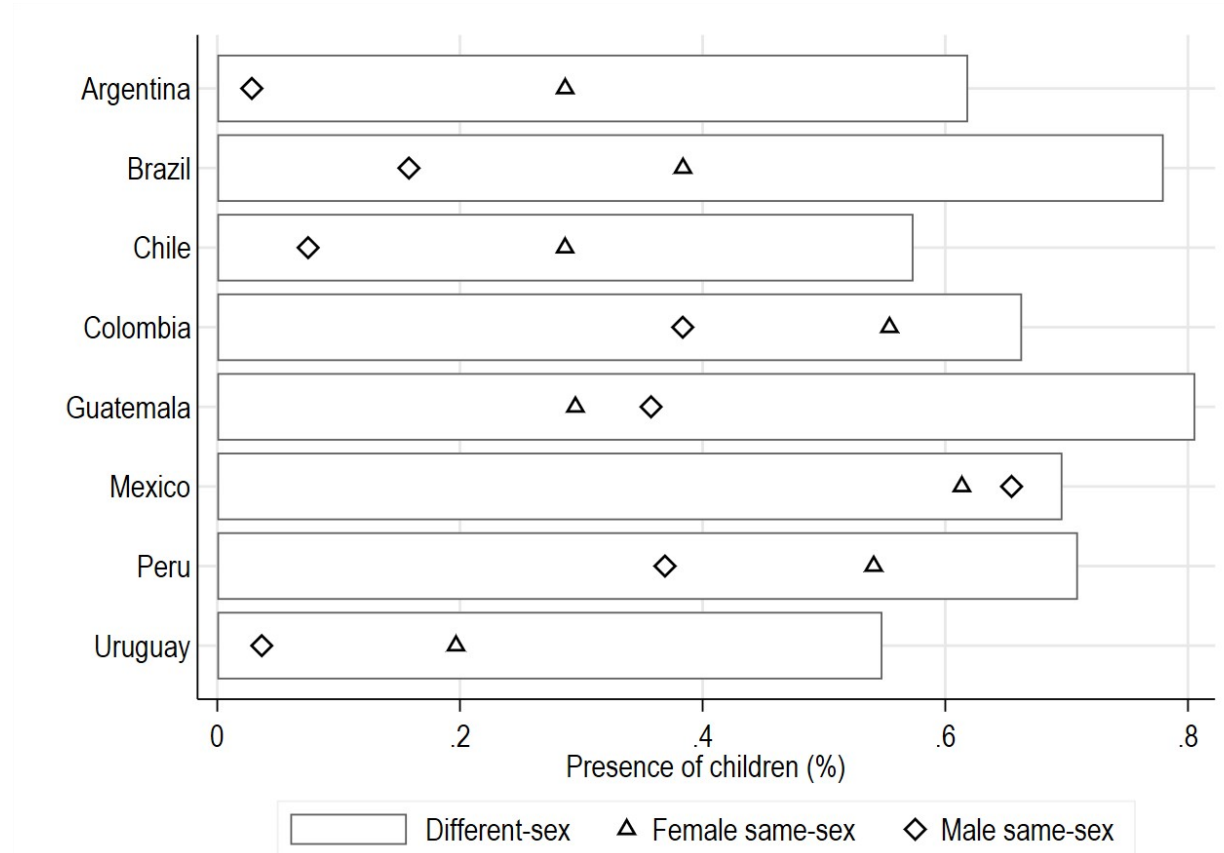
Why?

- **Disclosure bias**
 - Demographic factors
 - LGBTQ-friendly universities
 - Labor market returns and **expected discrimination**
 - Household specialization and fertility
-
- But recent research documenting challenges faced by **LGBTQ+ youth** (Sansone, 2019)
 - No higher educational levels among bisexual individuals
 - **Transgender individuals** less likely to have tertiary education

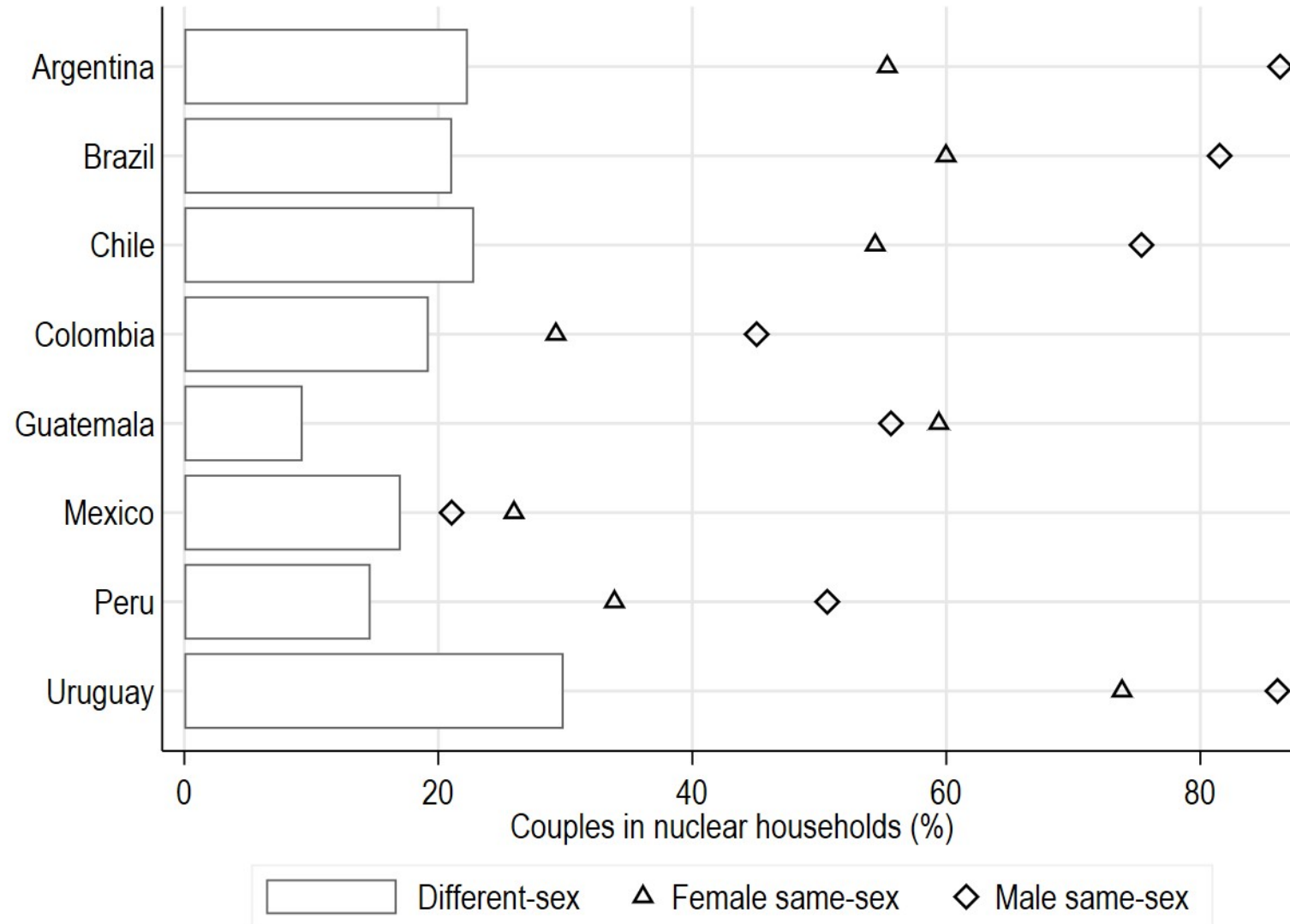
Family

Childrearing

- **Higher childbearing and childrearing costs** for individuals in same-sex couples
- IVF expensive, adoption limited/banned, SSM not always legal



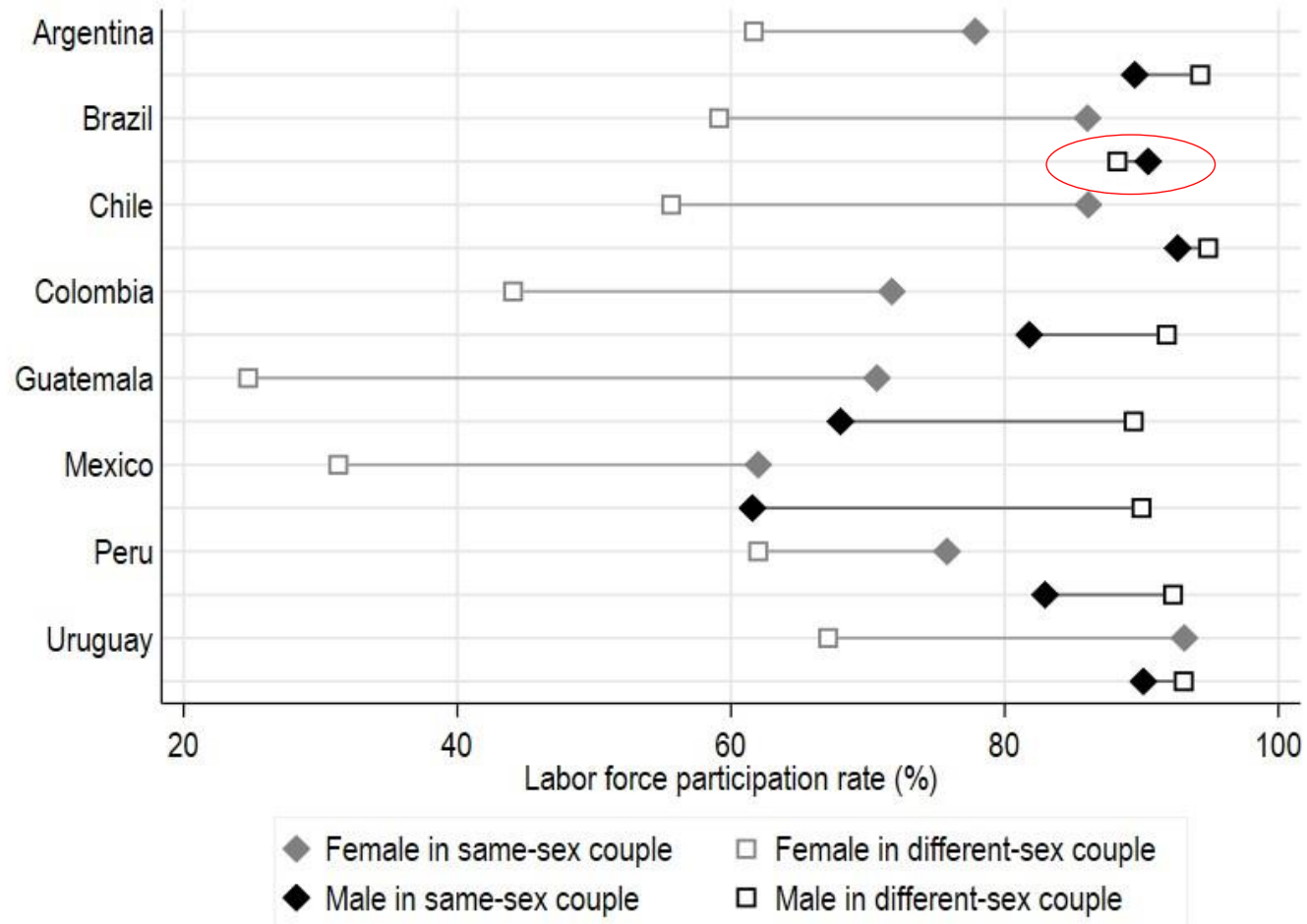
Same-sex couples are more likely to be nuclear households



Labor Market

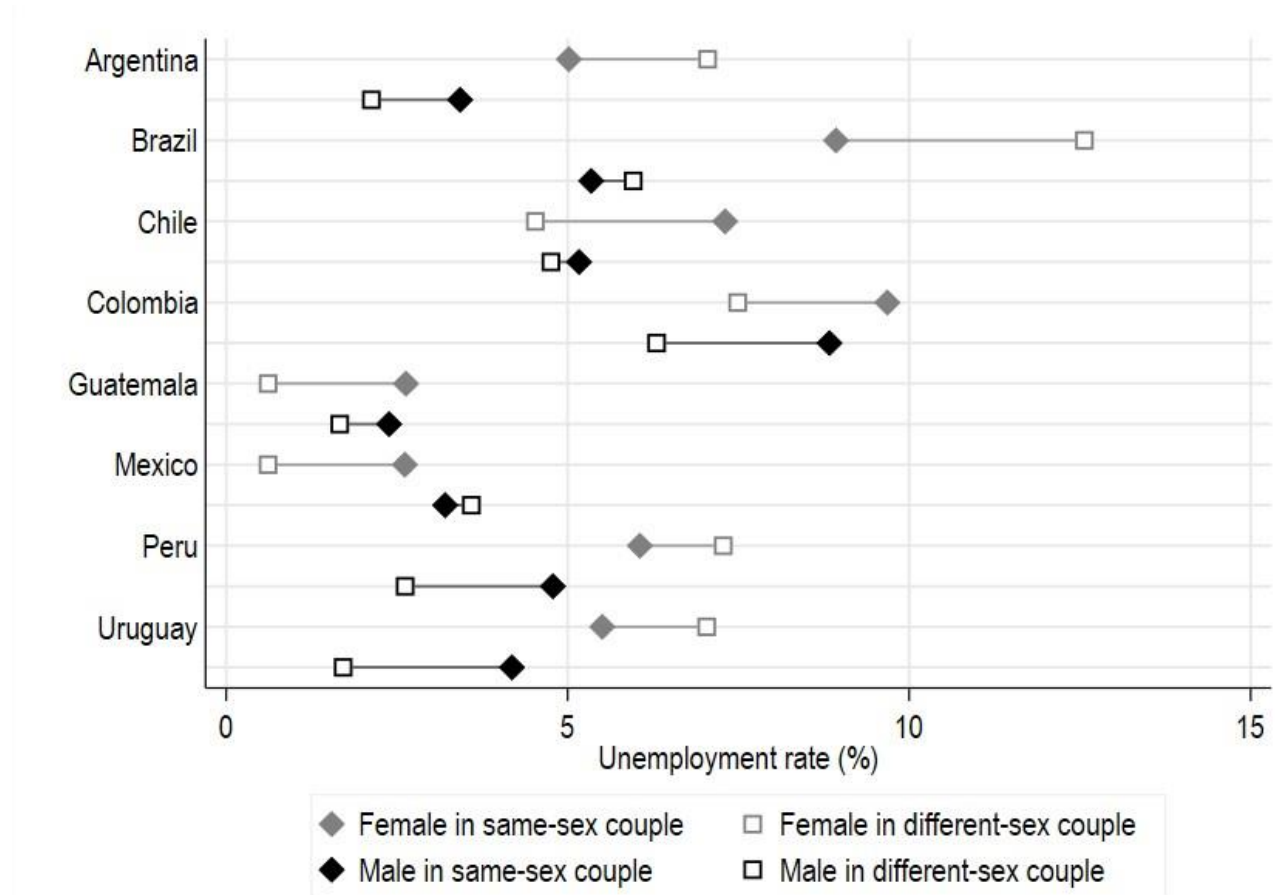
Labor force participation

- **Gender norms** affecting women in different-sex couples
- Less binding norms for women in SSC (and more equal **division of household work**)



Unemployment rate

- **Positive discrimination** for women in same-sex couples due to expected lower fertility rates and more masculine traits, and **negative discrimination** due to distaste among employers towards sexual minority employees

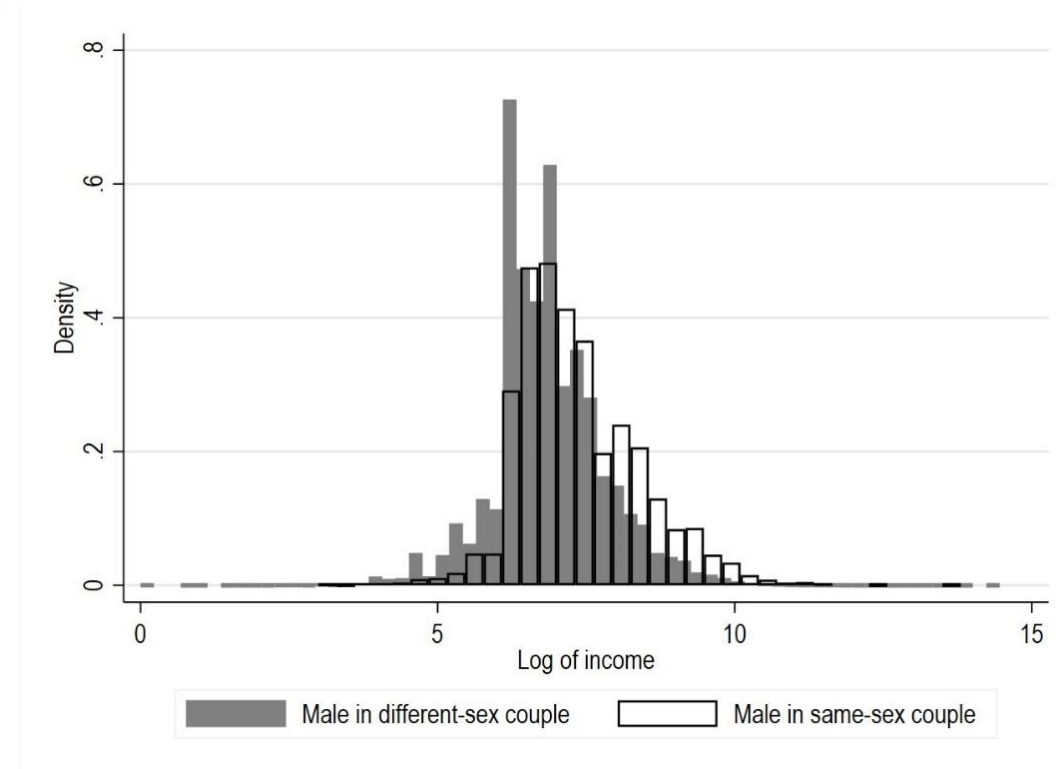
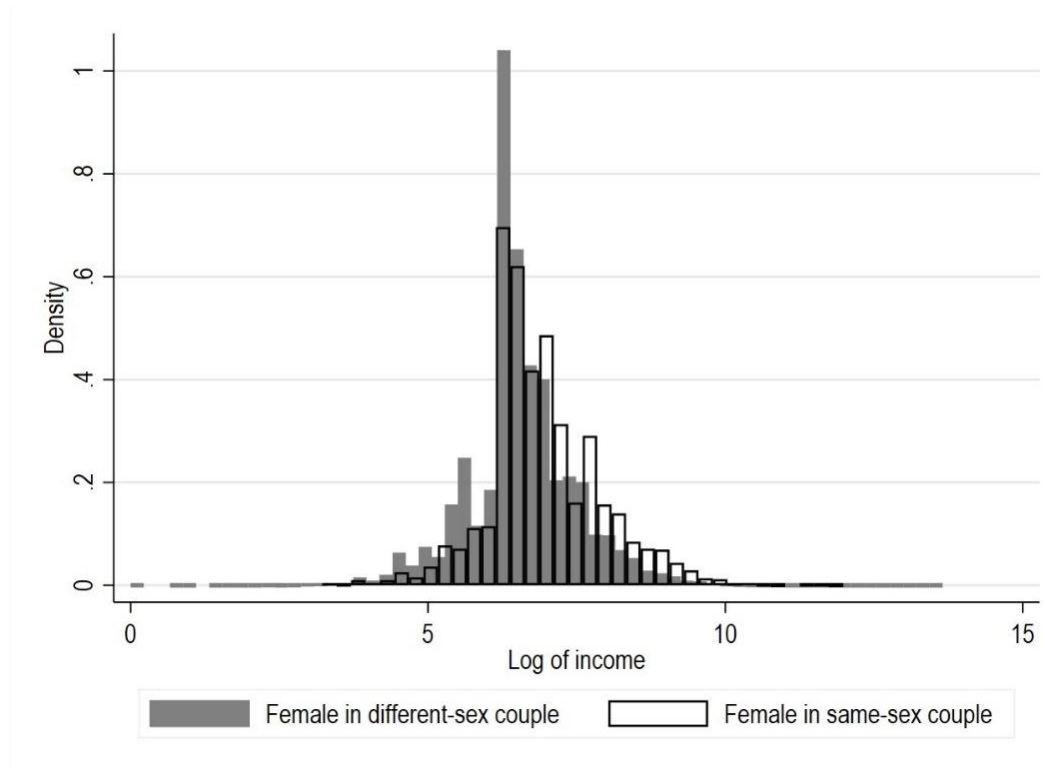


Income

- Most countries do not collect data on earnings and income in their censuses,
 - **Brazil** has info on total gross monthly income and earned labor income
 - **Mexico** has info on monthly labor earnings
- Potential **positive selection** among same-sex couples: plausible that only the most successful sexual minority individuals would have the resources, knowledge, and confidence to openly live with a same-sex partner and truthfully report their relationship status in the census

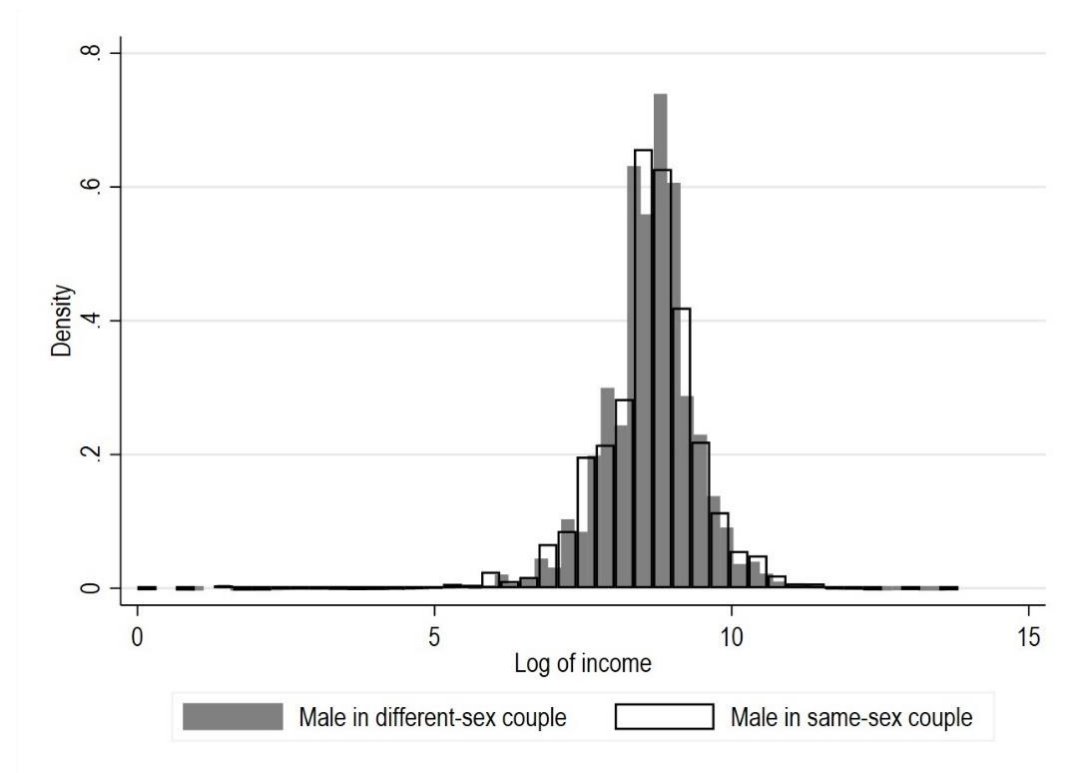
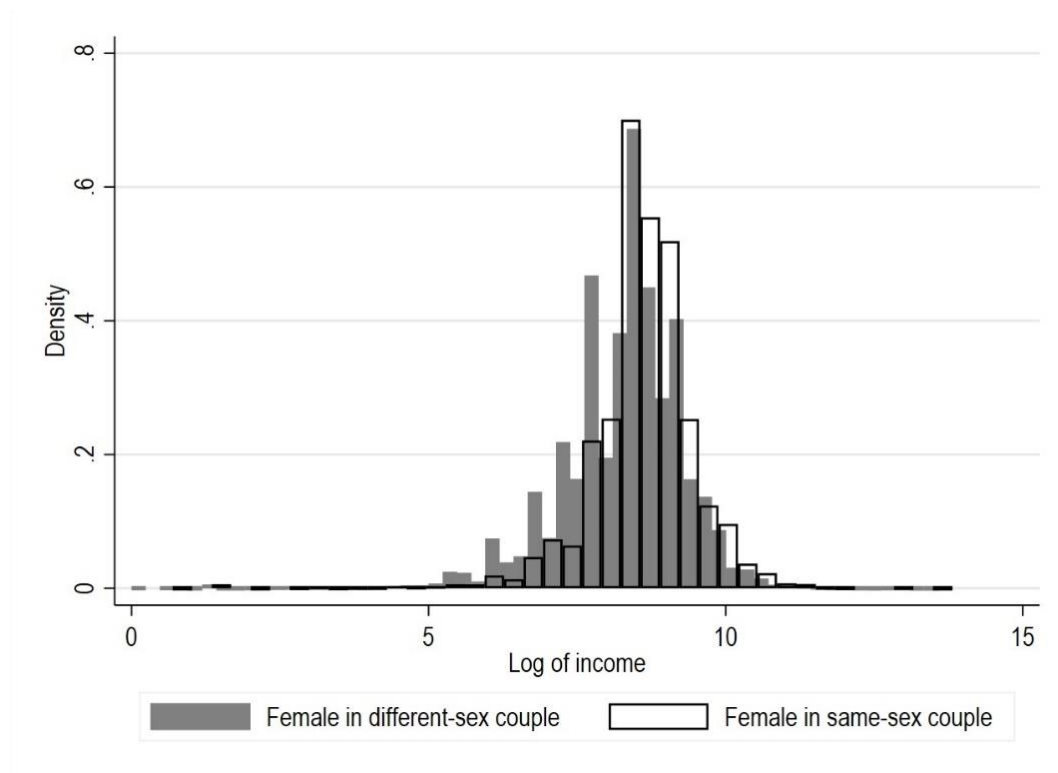
Income distribution: Brazil

- Income distribution for women and men in same-sex **shifted to the right**
- In line with previous studies in Brazil, but **not** with international evidence



Income distribution: Mexico

- Income distribution for women in same-sex couples shifted to the right (less than in Brazil)
- More overlaps in the income distributions of **men**



Income regression

- **Mincer equation** can be estimated by OLS for each individual i , separately for each country and sex

$$y_i = \gamma_0 + \gamma_1 SSC_i + \gamma_2 x_i' + \varepsilon_i$$

- Household heads and their partners or spouses included
- Working individuals aged between 18 and 65
- **SSC_i indicator for being in a same-sex couple**
- γ_0 constant term
- x_i individual-level controls: respondent's age (and age squared), race, ethnicity, and education; partner's or spouse's characteristics; child indicator
- Standard errors clustered at household level
- Individual weights

Income gaps: Brazil

- **Income premium** for both women and men in same-sex couples when compared to women and men in different-sex couples
- 21-23% premium for women, 7-10% for men

	Brazil				Mexico	
	Income		Earnings		Earnings	
	Female	Male	Female	Male	Female	Male
	(1)	(2)	(3)	(4)	(5)	(6)
Same sex	0.2070*** (0.0154)	0.0903*** (0.0188)	0.1938*** (0.0149)	0.0719*** (0.0175)	0.2915*** (0.0087)	-0.1059*** (0.0063)
Observations	1,833,580	2,937,359	1,794,419	2,929,772	667,366	1,738,402
R-squared	0.4127	0.4428	0.4245	0.4457	0.2964	0.2375
Mean income	6.656	6.993	6.588	6.935	8.255	8.592

Income gaps: Mexico

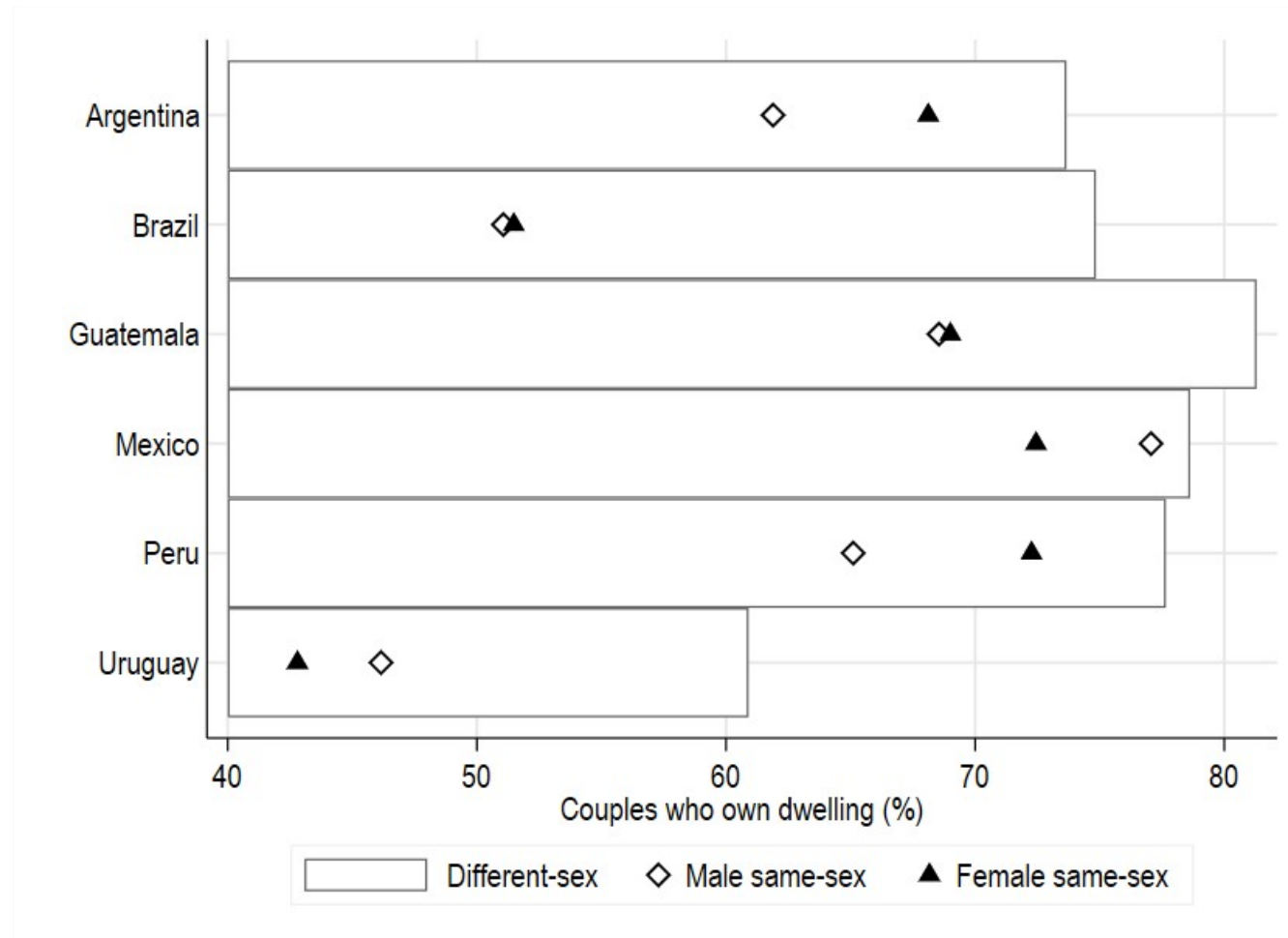
- Labor income **premium** for women in same-sex couples
- Labor income **disadvantage** for men in same-sex couples
- Qualitatively similar to international literature, but larger
- 24% for women, -10% for men

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Wealth and poverty

Homeownership rates

- Lower homeownership rates for sexual minorities also in high-income countries (Badgett et al. 2024)



Differences in welfare proxied by an asset index

- Given the lack of detailed data on income or expenditure, we proxy welfare with an asset index using **principal component analysis**. This approach follows Filmer (2012), Filmer and Pritchett (2001), and Mackenzie (2005).
- We include **ownership of assets** such as: refrigerator, tv, car, cellphone, computer, washing machine, among others, as well as **dwelling characteristics** such as number of rooms, material of walls, materials of the roof, etc.
- We use the asset index to rank households in the distribution after controlling for age, region, race, and education.
- Then we estimate how many households for each type of couple fall below the 40th percentile (to approximate the location of a poverty line).

Poverty rates

- Results vary by country but SSC tend to have lower rates

	Different-sex couples	Female same-sex couples	Male same-sex couples	Comparisons by couple type	
	(1)	(2)	(3)	(2)-(1)	(3)-(1)
Argentina	40.00%	37.62%	40.78%	-0.02	0.01
	{0.00}	{0.01}	{0.02}	(0.11)	(0.65)
Brazil	40.02%	35.81%	29.50%	-0.04	-0.11
	{0.00}	{0.01}	{0.01}	(0.00)	(0.00)
Chile	39.89%	50.78%	65.79%	0.11	0.26
	{0.00}	{0.01}	{0.01}	(0.00)	(0.00)
Colombia	40.02%	33.32%	38.75%	-0.07	-0.01
	{0.00}	{0.00}	{0.00}	(0.00)	(0.00)
Guatemala	40.00%	30.43%	32.62%	-0.10	-0.07
	{0.00}	{0.03}	{0.03}	(0.00)	(0.00)
Mexico	40.02%	35.26%	39.63%	-0.05	0.00
	{0.00}	{0.01}	{0.00}	(0.00)	(0.27)
Peru	40.01%	38.88%	33.00%	-0.01	-0.07
	{0.00}	{0.01}	{0.01}	(0.19)	(0.00)
Uruguay	39.99%	53.97%	60.71%	0.14	0.21
	{0.00}	{0.06}	{0.09}	(0.03)	(0.02)

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Conclusions

- Individuals from Latin America in same-sex couples:
 - Are younger
 - Are less likely to identify as indigenous
 - Have higher education levels
 - Are less likely to live with children
 - Are less likely to own a house
- Unemployment rates by couple type and sex vary by country
- Brazil: higher income for individuals in same-sex couples
- Mexico: women in same-sex couples have higher incomes, men in same-sex couples have lower incomes
- Poverty rates by couple type vary by country

Thank you / Gracias / Obrigado