

## **Abstract**

This study uses high-quality register data to investigate how the rate of self-employment differs by sexual orientation. The results show that gay men have a lower probability of being self-employed than heterosexual men. For women, there is no significant difference between heterosexual women and lesbians in propensities of being self-employed. It further examines the earnings differentials between homosexuals and heterosexuals in both wage-employment and self-employment. There is no evidence of earning differentials between self-employed gay men and self-employed heterosexual men. For wage-employed, there is evidence of gay men earning less. For self-employed women, there is no evidence of earnings differences by sexual orientation. This study, however, shows little evidence of lesbians earning more than heterosexual women. This study further, explores whether there are differences in assortative matching by sexual orientation when it comes to self-employment. There is no significant difference in assortative mating between homosexuals and heterosexuals; both have a positive assortative mating when it comes to self-employment.