

The Labour Market Outcomes of Transgender, Gender Non-Conforming and Genderqueer Individuals

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Abstract

This paper studies the relationship between earnings and a wide range of transgender identities using the United States Transgender Survey. This survey, which to my knowledge has yet to be explored by economists, contains detailed data on 27,715 transgender individuals.

To account for the interval-censored nature of the dependent (earnings) variable in my analysis, I use interval regression and interval regression based decomposition methods to estimate the ‘unexplained’ portion of wage gaps between different identities within the transgender population. I also develop a novel proxy for cisgender men using a sub-population of undisclosed crossdressers to compare minority transgender identities to cis-men.

First, having accounted for observable demographic and productivity related characteristics, I find that all transgender groups earn significantly less than similarly situated cis-men. Second, within the transgender population, those who were assigned male at birth earn significantly more than those assigned female at birth. Third, I largely reject the hypothesis that combined minority sexual orientation and minority gender identity statuses interact to reduce earnings. Fourth, these results are sensitive to the degree transgender people ‘pass’ and the age they began living full-time as their gender identity.

In short, these findings suggest that the earlier transgender people begin living full-time and the greater their ability to ‘pass’ as their gender identity, the more their earnings profiles reflect that of their gender identity rather than their assigned birth-sex. This provides evidence in support of a traditional cisgender pay gap, with ‘maleness’ enjoying an earnings premium in the workplace over ‘femaleness’.