

# *Coming out* as gay or lesbian

## An econometric study of the socio-economic determinants of sexual orientation disclosure

Since the late eighties, following the seminal paper by Badgett [1995], several econometric studies in different countries have emphasized the existence in the labor market of a difference in wages between homosexual employees and their heterosexual counterparts.

However recent econometric results (Laurent T., Mihoubi F. [2016]), show that wage discrimination is not homogeneous among gay employees: the wage gap between an employee perceived as gay by his employer and another not perceived as such stands over -6%. In such a context, the individual cost of *sexual orientation disclosure* in the workplace can be estimated, on average, at -4% in terms of annual earnings.

These results highlight the key role played by the decision to disclose or not one's sexual orientation in the workplace, and the consequences of this decision on individual economic outcomes.

The present paper is devoted to the econometric analysis of the decision of disclosing sexual orientation (*Coming Out*), in order to identify the main variables playing a role in this individual decision. To our knowledge it is one of the first attempts to address this question.

Using original and detailed data collected through a web survey conducted by us in 2011 regarding the characteristics and behavior in and out the workplace of 3,000 French gay employees, we estimate *Coming Out* equations by gender, distinguishing the determinants of the *Coming Out* in the workplace *vs* in the private sphere.

The econometric results associated to the estimation of probit and logit models, underline the fact that there is not one but several disclosure decisions to make: variables explaining disclosure of sexual orientation in the workplace (size of the firm, wages, sector of activity, type of job, type of employment contract, qualifications *etc.*) are very different from the determinants of sexual orientation disclosure in the private/family sphere (age, religion, origin, social environment, degrees, social level of the mother *etc.*).

Moreover, even in the workplace, one can identify different types of *Coming Out*, according to the person to which the disclosure is done: colleagues, supervisor, person responsible for the career *etc.* The same type of findings remain relevant concerning the *Coming Out* in the private sphere: the main determinants of the disclosure of sexual orientation to the parents are not identical to those explaining the disclosure to friends or to the rest of the family.

The paper allows to better understand the economic and social determinants of the individual decision to disclose one's sexual orientation ; it sheds a light on how some current individual economic outcomes like careers and wages, can be impacted, via the disclosure decision, by socio-economic predetermined variables.

Badgett, L. (1995). *The wage effects of sexual orientation discrimination*. Industrial and Labor Relations Review, 48(4), 726–739.

Laurent T., Mihoubi F. [2016], *The role of apparent sexual orientation in explaining the heterogeneity of wage penalties among gay employees*, in Sexual orientation and transgender issues in organizations : global perspectives on LGBT workforce diversity, Thomas Köllen ed., Springer publisher, 405-428