Intergenerational Mobility of LGBQ+ Individuals*

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Abstract

We document an intergenerational mobility gap based on sexual orientation in the United States. Using a nationally representative survey, we find that LGBQ+ men achieve income ranks 6–9 percentiles lower than heterosexual men from the same parental income rank, especially at higher parental income levels. LGBQ+ men are also less likely to follow their father's occupation. These gaps persist when comparing LGBQ+ respondents to their heterosexual siblings. We explore a wide set of potential mechanisms, including parental relationships, mental health, and friendships.

Keywords: Intergenerational Mobility, LGBTQ Economics, Economic Disparities

JEL Codes: J0, J1, Z13

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1 Introduction

Intergenerational mobility (IGM) rates reflect the extent to which individuals can achieve economic success independent of their family background, serving as a critical barometer for equality of opportunity. Extensive research has shown substantial variation in these rates for marginalized subgroups relative to the general population (Chetty et al. 2017, Mazumder 2005, Mazumder 2014), suggesting aggregate estimates risk obscuring the specific barriers faced by minority groups. Recent studies have highlighted differences in IGM based on gender (Jácome, Kuziemko, and Naidu 2022; Althoff, Brookes Gray, and Reichardt 2022), race (Chetty et al. 2019; Ward 2022; Winship et al. 2021; Collins and Wanamaker 2022), and immigration status (Abramitzky et al. 2021). However, an important gap remains: no prior research has examined the intergenerational mobility of sexual minorities in the United States.

Sexual minorities—individuals who identify as lesbian, gay, bisexual, queer, or other non-heterosexual orientations (hereafter referred to as LGBQ+)—face distinctive interpersonal, societal, and institutional challenges. For instance, marriage markets significantly shape intergenerational mobility outcomes (Ager, Boustan, and Eriksson 2021), yet same-sex marriage was only legalized nationwide in the U.S. in 2015. Given these unique contextual factors, assessing the economic mobility of LGBQ+ individuals offers crucial insights into how identity-specific barriers influence a growing segment of the population.

We focus specifically on sexual orientation, setting aside gender minorities solely due to data limitations in identification.[1] Estimates suggest that 2.7 to 4.6 percent of U.S. adults identify as non-heterosexual (Badgett, Carpenter, and Sansone 2021), while recent findings indicate that 15–20 percent of American high school students do so (Gonzales and Deal 2022; Wilson and Meyer 2021). Such trends underscore the importance of understanding the economic trajectories of future birth cohorts increasingly composed of LGBQ+ individuals. Economic research consistently identifies pronounced disparities between sexual minorities and heterosexual populations in key socioeconomic outcomes, including lower wages (Brewster, Tillman, and Jokinen-Gordon 2013; Badgett, Carpenter, and Sansone 2021), higher rates of poverty, lower health insurance coverage, and reduced homeownership rates (Badgett, Carpenter, and Sansone 2021; Elton and Gonzales

1. Nevertheless, substantial overlap exists: Gonzales and Deal (2022) find that approximately 70–80% of gender minority high school students identify as non-heterosexual.

2021; Leppel 2007; Gonzales and Blewett 2014). These outcomes likely reflect ongoing effects of discrimination, stigma, and historical legal constraints. In this study, we provide the first empirical evidence documenting differences in intergenerational mobility by sexual orientation, illuminating both the magnitude and potential mechanisms underlying the unique mobility barriers faced by LGBQ+ populations.

We analyze data from the National Longitudinal Study of Adolescent to Adult Health (Add Health), a nationally representative panel dataset, because of two key traits: (i) it allows us to identify sufficient LGBQ+ individuals, and (ii) link their labor market outcomes to those of their parents. There are several ways to identify sexual minorities: researchers can use self-reported sexual identity, sexual behavior, or partnership status. In this paper, we focus on findings from Add Health because it provides self-reported sexual identity, which corresponds most closely with the group of individuals who are "out" and consider themselves to have a minority sexual identity. We see some evidence of selection into reporting—LGBQ+ men tend to have higher income parents on average. However, to the extent that self-reported LGBQ+ identity defines our population of interest, we consider this to be part of the patterns we study.

We document several key empirical findings regarding the mobility of sexual minorities. 1) LGBQ+ men experience lower intergenerational income mobility compared to their heterosexual counterparts; specifically, among individuals born to parents in the lowest income quartile, LGBQ+ men attain an income rank roughly 5 percentiles lower, and this disparity expands significantly to over 10 percentiles for those from the top quartile of parental income. While LGBQ+ women also experience income mobility gaps, these differences are much smaller. 2) Additionally, LGBQ+ men display distinctive patterns of educational mobility, being more likely than heterosexual men to attend college at lower levels of parental income and education, though this advantage diminishes at higher socioeconomic levels. Conversely, LGBQ+ women consistently exhibit lower college attendance rates than heterosexual women, with gaps narrowing significantly as parental education increases. 3) LGBQ+ men are less likely to enter their father's occupation than heterosexual men, even after accounting for the gender composition of these occupations, whereas no similar gaps are observed among LGBQ+ women. 4) Finally, the income rank disparities observed among LGBQ+ men persist even when analyses are restricted to sibling comparisons or incorporate family fixed effects, suggesting these mobility differences are not attributable to cross-family factors but rather

indicate unique barriers specific to LGBQ+ men.

Additionally, we explore a variety of mechanisms, documenting differences in the endowments of these traits and establishing their relationships with economic outcomes later in life. We record differences in parent-child relationships, and show that these differences are robust to sibling comparisons. Additionally, we find differences in adolescent mental health, measured via a depression score, and show that LGBQ+ men have a distinct relationship between parental income and mental health. We examine differences in friendship in-degree using friendship nomination data and record more inequality in friendship for LGBQ+ men–they are more likely to have 0 friends and also more likely to have 10+ friends. We document distinct occupational sorting patterns for LGBQ+ individuals relative to their straight counterparts. We additionally examine educational investments: we find that LGBQ+ men are 10 percentage points more likely to be college graduates than their straight counterparts, while LGBQ+ women are 5 p.p. less likely. We also show that college attendance does not narrow income gaps for LGBQ+ men despite higher rates of attendance. Finally, we assess the explanatory power of these mechanisms for mobility and income rank disparities using decomposition methods. Despite large differences in endowments, we find that differences in mental health and parental relationships account for a neglible portion of the income rank gap observed for LGBQ+ men. Due to potential endogeneity concerns with occupational choice and educational investment, we restrict our primary mechanism analysis to variables measured during high school.

Our findings contribute to the literature on the intergenerational mobility rates of minority groups by elevating to the general attention an often overlooked group. Evidence that (primarily Black and Indigenous) minorities experience persistent mobility gaps across the income distribution has become clearer (Chetty et al. 2019; Jácome, Kuziemko, and Naidu 2022). There is also a growing literature on the determinants of intergenerational mobility in the United States: other analyses have highlighted the significant geographic variation in upward mobility and identified certain geographic-level correlates of higher mobility rates (Chetty et al. 2014; Chetty and Hendren 2018b, 2018a; Derenoncourt 2022). By documenting this disparity in opportunity amongst heterosexual and non-heterosexual individuals, we see our study as a first step to furthering our knowledge of this demographic and the drivers and obstacles of opportunity.

Our findings also contribute to the growing literature on LGBTQ economics (Badgett, Carpenter, and Sansone 2021). Evidence has found earnings differentials and higher LGBTQ+ poverty

and financial distress rates, as well as higher takeup of government assistance (Deal, Gonzales, and Greenberg 2022; Badgett 2018; Badgett, Carpenter, and Sansone 2021; Klawitter 2014). This evidence, though, has been primarily based on cross-sectional observations that consider plausible drivers such as discrimination, occupational segregation, and educational pursuits. No study (to our knowledge) has incorporated an intergenerational perspective that may reveal compounding disadvantages or curtailing advantages inherent to this demographic.

The remainder of the paper takes the following form: Section 2 reviews previous literature on intergenerational mobility and LGBTQ economics; section 3 describes our data; Section 4 reports results on mobility patterns; and Section 5 investigates potential mechanisms. Sections 6 discusses our findings and concludes.

2 Relevant Literature

The transmission of economic outcomes across generations is a broad concept that has come to be studied under the loose umbrella of "mobility." There are a variety of specific measures, but the general idea is to measure the relationship between parental income during childhood (usually adolescence) and the income of those children in adulthood (Becker and Tomes 1979, 1986; Mazumder 2005; Solon 1992; Black and Devereux 2011; Chetty et al. 2014). There are two main types: *absolute mobility*, which focuses on whether the child achieves higher levels of income than their parent—better thought of as a measure of rising standard of living from generation to generation, and *relative mobility*, which measures the extent to which children can change their rank in the income distribution relative to their parents. This can be thought of as a measure of the "American Dream"—the extent to which the circumstances of your birth determines your later-life outcomes. This is the metric we focus on. Relative mobility can also be viewed as a measure of the persistence of income inequality across generations.

2.1 Measurement

There are several measures of relative income mobility, each with strengths and weaknesses. Older literature has focused on the intergenerational elasticity of income (IGE), obtained by regressing log child income on log parental income (Solon 1999; Mazumder 2005). While this improves the

comparability of estimates with many canonical analyses, other literature has found it can be very sensitive to the treatment of very small or zero incomes (Chetty et al. 2014). Alternatively, other literature has begun to use the rank-rank slope as an alternative measure of relative mobility—let R_i denote child i's rank in the income distribution of children, and P_i denote parent i's rank in the income distribution of parents. Regressing child rank on parental rank yields $Corr(P_i, R_i)$, the rank-rank slope (Chetty et al. 2014). We use rank-rank results as a useful summary of the relationship between parental income and child income. However, these measures both suffer from the limitation of parameterizing the joint distribution of parental and child income. We address this limitation by considering nonparametric means of child income rank by parental income quartile. Additionally, we use another nonparametric alternative, upward rank mobility, which measures the probability that the son's percentile rank in the overall income distribution of his generation exceeds that of his parents' in the income distribution of the parents' generation (Bhattacharya and Mazumder 2011). We use a combination of these measures to characterize differences in IGM across sexual orientation.

2.2 Mobility Differences

Comparisons across countries have revealed that many other nations have greater intergenerational mobility than the United States (Corak, Lindquist, and Mazumder 2014; Acciari, Polo, and Violante 2022; Bratberg et al. 2016). In addition to comparisons of intergenerational mobility across nations (often used as a metric of inequality and opportunity), there is a growing literature that documents differences in intergenerational mobility among different groups, frequently connecting the metric to observed contemporary disparities in economic outcomes. A large literature examines the intergenerational mobility of African Americans and uses a combination of panel data, historical census data, and administrative tax records to find that Black men are less likely to move out of the bottom end of the income distribution than white men, conditional on parental rank being at the bottom of the income distribution (Hertz 2005; Mazumder 2014; Chetty et al. 2019; Collins and Wanamaker 2022). Additionally, they experience higher rates of downward mobility, indicating Black men were more likely to fall beneath their parents' income rank than white men. Chetty et al. 2019 also find that this relationship does not hold for Black women, suggesting the racial differences are driven by men.

While studies of intergenerational mobility condition on parental income, other resources related to human development may not be equal across groups (Collins and Wanamaker 2022). Some of the causes proposed for this racial intergenerational mobility gap include residential segregation, long-standing human capital differences due to the economic legacies of slavery and other systems of oppression, and the reactions of communities to mass migration (Chetty et al. 2019; Loury 1977; Derenoncourt 2022). Interestingly, Chetty et al. 2019 find similar gaps for Native Americans, but not for Hispanics. However, other analyses have found that immigrants (another group that was historically marginalized) have substantially higher mobility rates than native-born children (Abramitzky et al. 2021). Other work has found evidence that historical income mobility was higher for women in the United States (Eriksson, Craig, and Niemesh 2022). We build on this literature by examining the intergenerational mobility of LGBTQ populations.

2.3 LGBTQ Economics

A growing economic literature has documented major disparities in socio-economic outcomes between heterosexual and non-heterosexual individuals (Badgett, Carpenter, and Sansone 2021). Per definition, income differentials between the two groups are directly responsible for the observed gap. Most studies have found that gay and bisexual men tend to earn less than comparable heterosexuals (Badgett 1995; Klawitter 2014; Drydakis 2021), but the evidence on wage differentials between heterosexual and lesbians/bisexual women is mixed. While lesbians previously experienced a wage premium over similarly situated heterosexual women (Klawitter 2014), this gap appears to have declined or reversed in recent studies (Drydakis 2021). Bisexual women, in contrast, face the highest poverty rates of any LGB subgroup (Badgett 2018; Deal, Gonzales, and Greenberg 2022). This heterogeneity amongst sexual minority subgroups remains an active area of research (Drydakis 2021; Deal, Gonzales, and Greenberg 2022).

It is challenging to quantify the drivers of these disparities. Discrimination, schooling choices, and occupational segregation (Black et al. 2002; Tilcsik 2011) may all play a role. Experimental audit studies have found evidence of labor market discrimination against sexual minorities (Patacchini, Ragusa, and Zenou 2014; Tilcsik 2011), and studies of educational attainment and performance have generally found that sexual minority men pursue more education, but the opposite or nonexistent educational differences for sexual minority women (Black, Sanders, and Taylor 2007; Carpenter,

Eppink, and Gonzales 2020; Sansone 2019; Mittleman 2022). It is possible that early-life experiences entail intergenerational income dynamics that would affect later-life outcomes for sexual minorities. For example, parents could under-invest in sexual minority children relative to straight siblings due to prejudice. Alternatively, LGBQ+ children and young adults could proactively invest in human capital development in response to the stigma they experience. This demographic has also been found to have worse health outcomes (Gonzales and Blewett 2014; Gonzales and Deal 2022) which might hinder their ability to advance in the labor market.

In light of this evidence, we hypothesize that the intergenerational mobility rates of sexual minorities would be lower than those of heterosexual individuals. It is not clear, though, how these rates would compare to those of other disadvantaged groups.

3 Data

We use the restricted version of the *National Longitudinal Study of Adolescent to Adult Health* (Add Health) cohort. There are several advantages to this dataset, which follows a nationally representative sample of approximately 15,000 adolescents sampled when they were in secondary school. At the time of the first interview in 1994/5, children were in grades 7-12 and parent ages ranged from 33-52.[2] Children's incomes in adulthood are measured over 5 spaced-out waves; we use the income reported in 2006, when children in the sample were 26-30 years old, because it is the only time we observe income as a continuous variable rather than in binned ranges. However, most individuals rounded their income to the nearest thousand (over 90%). We observe both self-identified sexual identity and sexual behavior, and we rely on sexual identity as our preferred LGBQ+ identification method. Our sample restrictions on responses to the income questions and sexual identity (described in more detail below) lead to a primary analytic sample of 9,741 heterosexual respondents and 1,593 sexual minority respondents.[3]

The literature on intergenerational mobility has largely focused on links between fathers and sons (e.g. Chetty et al. 2017) due to difficulties in linking women or measuring their incomes. We include women in our sample (following recent developments in Jácome, Kuziemko, and Naidu

2. 33 and 52 are the 5th and 95th percentile—the lowest age recorded was 20 and the highest was 80.

3. For some analyses where parental income is not used (such as sibling comparisons), we use a larger sample that does not restrict on parental income reporting, which consists of 12,814 heterosexual respondents and 2,082 sexual minority respondents.

2022, Chetty et al. 2019, and Eriksson, Craig, and Niemesh 2022) and do not limit our analysis to sons; instead we examine the intergenerational mobility of sexual minorities as a whole, including cisgendered men and women (as well as trans individuals who identify as LGBQ+).

Parental Income. Our primary measure of parental income is the total household pre-tax labor income, coming from wages, salary, commissions, or tips from all jobs. We follow the recent literature and keep income reports of $0 (Bhattacharya and Mazumder 2011; Mazumder 2014; Chetty et al. 2014; Chetty et al. 2019), but we drop missing observations. We then construct a parental income rank from 0-100 that serves as our primary analysis variable.

Child Income. We use an analogous measure for child income. We use 2006/2007 earnings because it is the only year where income is recorded as a continuous variable rather than in discrete ranges. Approximately 200 respondents reported that they did not know their exact income and instead guessed in ranges. For these respondents, we assign the midpoint of that range as their income. We then construct a child income rank from 0-100 that serves as our primary dependent variable.

LGBQ+ Identity. Identifying LGBQ+ individuals poses a challenge. There are multiple ways to assess sexual orientation, and limited data collection on sexual orientation and gender identity imposes severe limitations. We rely on self-identification of sexual orientation. Self-identified sexual orientation asks respondents directly about their sexual orientation—in our case in AddHealth, respondents were asked "Please choose the description that best fits how you think about yourself:" and offered the following options 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.[4] We coded all respondents who choose an option other than 1 as sexual minorities. Self-identification may pose minimal measurement error regarding sexual orientation compared to other methods of identification (such as same-sex households) and plausibly captures the population closest to a popular definition of

4. We exclude respondents who refused to respond or chose that they didn't know ($< 1\%$ of the sample).

sexual minorities. However, there is the risk of undercoverage due to fears of disclosure, mistrust, or denial (Badgett, Carpenter, and Sansone 2021).

3.1 Selection into Reporting

We document that the pattern of reporting LGBQ+ identity is not randomly distributed with respect to parental income. Figure 1 illustrates the distribution of parental income rank by LGBQ+ status. If LGBQ+ identity were random relative to parental income, we would expect both kernel density lines to approximate a uniform distribution. This appears to hold true for LGBQ+ females. However, among LGBQ+ males, there is evidence that they are underrepresented among individuals from middle-income households and overrepresented among those from high-income households. This uneven distribution raises potential concerns regarding selection bias in reporting.

Nevertheless, given that self-reported sexual identity is commonly accepted as an accurate representation of the LGBQ+ population, we interpret this observed distribution as reflecting the demographic we intend to study. We do not attempt to target a latent sexual identity measure that would be distributed uniformly. Still, it remains plausible that social desirability bias could influence this pattern. Future research should investigate how interviewer-administered reporting, rather than self-identification alone, might affect the measured prevalence of LGBQ+ identity across different parental income levels.

3.2 Descriptive Statistics

We begin by providing descriptive statistics of our sample. Table 1 shows that there is an income gap of about $7,000 between heterosexual and non-heterosexual males in our sample, and an analogous gap of $1,500 for females. Interestingly, the parental income of individuals who identify as LGBQ+ as adults (around 26 years old) is higher than their heterosexual counterparts during adolescence. Additionally, parental college attendance appears to be slightly higher for LGBQ+ individuals. On the other hand, non-heterosexual individuals seek educational attainment at slightly higher rates than heterosexuals, especially among men.

The lower rate of LGBQ+ identification amongst Black women is another point of concern in terms of measurement error. It is unclear whether less Black individuals actually identify as LGBQ+ (due to norms) or whether fear of disclosure is causing this pattern; if the latter, our

estimates would then likely be upward biased given that Black individuals have lower relative mobility rates compared to the white population (Chetty et al. 2019, Ward 2022, Collins and Wanamaker 2022, Jácome, Kuziemko, and Naidu 2022, Eriksson, Craig, and Niemesh 2022). Table A1 provides summary statistics for our larger sample that does not restrict on observing parental income.

4 Intergenerational Mobility

4.1 Income Mobility

First, we examine the transmission of economic outcomes across generations using income as a summary measure of economic status. We focus on the rank-rank slope for LGBQ+ and heterosexual children, following Chetty et al. (2014). We rank each child's adult income relative to others within the sample, regardless of sexual orientation. Analogously, we rank parents relative to the parental income distribution. We then estimate the following models, which allow both the slope and intercept of the rank-rank model to differ for LGBQ+ children and heterosexual children:

$$R_i = \alpha + \beta P_i + \gamma \text{LGBQ}_i + \lambda(P_i \times \text{LGBQ}_i) + \varepsilon_i \tag{1}$$

where R_i is the percentile rank of the child i's income in 2006, P_i is percentile rank of parental income, LGBQ_i is an indicator for sexual minority identity and ε_i is an idiosyncratic error term. The constant term α captures expected rank for heterosexual children born to parents at the bottom of the income distribution and the parameter β captures the rate of relative mobility for heterosexual children. γ captures the difference in expected rank for LGBQ+ children (intercept shift), and λ captures the degree to which the association between parental and child income is different for LGBQ+ children. We estimate the regression separately by sex. Table 2 shows these results. The first column is the male sample—we see that on average, heterosexual boys born to parents in the lowest percentile of parental income have an expected income rank in the 43rd percentile. Additionally, the coefficient on parental income suggests that for heterosexual boys, increasing parental rank by 10 percentile is associated with a 2.7 percentile increase in their expected rank. These slopes are similar to what others have recorded in administrative data in the US (Chetty

et al. 2014). However, a distinct picture emerges for LGBQ+ men. While their intercept is similar, the interaction between parental income rank and an LGBQ+ indicator is negative and significant, suggesting a shallower relationship between parental income and child income. The implied rank-rank slope among LGBQ+ men (from subtracting the interaction term from the heterosexual coefficient) is just 0.133, half that of the heterosexual men. In the female sample, we see a lower intercept, so that heterosexual women born to parents in the lowest percentile of parental income have an expected income rank in the 30th percentile. Additionally, a 10 percentile increase in parental income rank is associated with a 2.4 percentile increase in expected child rank for women. We do not find evidence of differential intercepts or slopes for LGBQ+ women.

Figure 2, Panel A plots these results using a separate bivariate rank-rank regression for each of the four subgroups. We see clear evidence that the income mobility of LGBQ+ men is distinct—while the relationship between parental income and child income is parallel for the other three subgroups, it is apparent that LGBQ+ men born to parents at the top of the income distribution have lower expected income rank—they do not enjoying the benefits of being born to higher income parents in the same way as the other subgroups.

One potential limitation with the rank-rank regressions is that they restrict the relationship between parental income and child income to be linear. Figure 2, Panel B plots a nonparametric alternative—the mean income rank for children born to parents in each income quartile, separately by LGBQ+ status and sex. We see broadly similar patterns—the gap for LGBQ+ men grows wider at the top of the parental income distribution. LGBQ+ men born to parents in the bottom quartile of the income distribution have an expected income rank that is 5.7 percentiles (11%) lower than their heterosexual counterparts, and this gap widens to 11.3 percentiles (17%) in the top quartile. LGBQ+ women see small penalties relative to their straight peers. We also examine quintiles and deciles of parental income and see similar qualitative patterns, though the estimates are noisier (see Figure A5).

In our third approach, we construct upward rank mobility by calculating the share of children whose rank exceeds that of their parents. Our limited non-heterosexual sample imposes restrictions for analyses: decile-to-decile transition matrices are one common way to characterize mobility patterns, but our sample size causes such granular estimates to have high degrees of uncertainty. Relevant literature has highlighted methodological issues that arise when using these

to compare mobility between groups (Bhattacharya and Mazumder 2011; Mazumder 2014; Collins and Wanamaker 2022). For example, if parents of LGBQ+ people tend to rank lower than parents of heterosexual children within income deciles, LGBQ+ children would have to advance further up the ranks to transition over any given decile threshold.

Thus, we use URM as a simple non-parametric alternative that is suitable for between group comparisons to complement our rank-rank and nonparametric rank analyses. This approach provides further insights on the heterogeneity of mobility within the income distributions of the groups. We conduct this calculation by quartile rather than the more common decile because of the restricted LGBQ+ sample size. More formally, we estimate upward rank mobility U_r in quartile r, where $r = 1$ is the bottom of the distribution, as:

$$U_r = P(R_i - P_i > 0 \mid r_{lower} < P_i < r_{upper}) \tag{2}$$

and calculate this quantity separately for LGBQ+ children and heterosexual children.

URM calculates the share of children whose rank exceeds that of their parents–essentially providing relative mobility estimates. Figure 3 plots these shares for heterosexuals (dashed line) and non-heterosexuals (solid line) across parental income quartiles, separately by sex. Additionally, the coefficients below test the difference across LGBQ+ status for each quartile. Again, we see a consistent pattern of mobility gaps for LGBQ+ men. The figure shows that just 11% of the non-heterosexual males born to parents in the highest quartile of the income distribution exceeded their parents' rank. In contrast, over 28% of heterosexuals in this category achieved that milestone. Interestingly, we also see URM gaps for LGBQ+ females in the lowest, second lowest, and highest parental income quartiles.

In sum, we find consistent evidence of distinct mobility patterns for LGBQ+ men across three different methodologies. Their slope in rank-rank regressions is much shallower than that of Non-LGBQ+ males or LGBQ+ females, suggesting they benefit less from parental income. Additionally, the gap in rank by LGBQ+ status grows for higher parental income quartiles, and LGBQ+ men born to parents in the top income quartile have an 11% chance of exceeding their parents' rank, compared to 28% for similar heterosexual men.

4.2 Educational Mobility

Next, we turn to examining mobility in human capital, primarily through educational attainment. First, we regress an indicator for college attendance on parental income rank, an indicator for LGBQ+ identity, and their interaction:

$$\text{College}_i = \alpha + \beta P_i + \gamma \text{LGBQ}_i + \lambda(P_i \times \text{LGBQ}_i) + \varepsilon_i \tag{3}$$

where College_i is an indicator for reported educational attainment that is "Some College" or "College Graduate." This regression tells us how parental SES is related to educational investment and attainment and how this relationship differs for LGBQ+ individuals. We estimate it separately by sex. Table 3 reports these results, with Column 1 displaying coefficients for males and Column 2 displaying coefficients for females. We see that 42% of straight men born to parents at the bottom of the income distribution attend college, and that LGBQ+ men in this position are 21 percentage points (50%) more likely to attend college. Additionally, higher parental income rank predicts higher college attendance—a 10 percentile increase in parental income is associated with a 5.3 percentage point increase in the probability of attending college for straight men. However, for LGBQ+ men, this relationship is once again much shallower—the interaction term is negative and significant, indicating a 10 percentile increase in parental income is only associated with a 3.1 percentage point increase in the probability of attending college for this group. For women, we see higher attendance rates and a shallower relationship between parental income and college attendance, but find no evidence of differences for LGBQ+ women.

Figure 4, Panel A plots these results using a separate bivariate college attendance-rank regression for each of the four subgroups. We see clear evidence that the educational mobility of LGBQ+ men is distinct from straight men—it is apparent that LGBQ+ men born to parents at the top of the income distribution have lower expected college attendance than they would if they enjoyed the slope straight men have—they do not enjoying the benefits of being born to higher income parents in the same way as the other subgroups.

Additionally, we plot mean college attendance by parental educational attainment in Figure 4, Panel B, separately by LGBQ+ status and sex. Here, we again see that at lower levels of parental education, LGBQ+ men far exceed the college attendance of straight men, but these gaps narrow

at the top of the parental educational attainment distribution.[5] Overall, these results suggest that in addition to distinct patterns of income mobility, LGBQ+ men display distinct patterns of educational attainment by parental income and education, with much higher attainment than their straight counterparts at lower levels of parental income/education, and narrowing gaps at higher levels.

4.3 Occupational Mobility

Another dimension along which economic characteristics may persist across generations is occupation. This occupational persistence might be shaped by exposure to parental occupation as a viable career path and may have positive or negative impacts on earnings. For example, following a parents' occupation may afford access to career networks that can aid with progression in high-status careers. Alternatively, children may be constrained by their parents' occupation, unable to reach a higher-paying career. We harmonize occupation into 14 broad categories across parents and children and run regressions of the following form:[6]

$$\text{Share}_i = \alpha + \beta \text{LGBQ}_i + \varepsilon_i \tag{4}$$

where Share_i is an indicator for children sharing the same occupational category as a parent, and LGBQ_i is an indicator for LGBQ+ status. We estimate these regressions using both father's occupation and mother's occupation to construct the outcome and separately by sex. Figure 5 displays the coefficients on the LGBQ+ indicator. We find that LGBQ+ males are 6.5 percentage points (42%) less likely to share their father's occupation, and this is robust to controlling for the sex composition of the occupation (minimizing concerns that this pattern is about general occupational sorting patterns rather than following their fathers specifically). We do not find evidence of differential following of mother's occupations or differences for LGBQ+ females.

5. One exception is for parents with some high school education—here the gap is very narrow.

6. The occupational categories are: 1) professional 1, such as doctor, lawyer, scientist 2) professional 2, such as teacher, librarian, nurse 3) manager, such as executive, director 4) technical, such as computer specialist, radiologist 5) office worker, such as bookkeeper, office clerk, secretary 6) sales worker, such as insurance agent, store clerk 7) restaurant worker or personal service, such as waitress, housekeeper 8) construction worker, such as carpenter, crane operator 9) mechanic, such as electrician, plumber, machinist 10) factory worker or laborer, such as assembler, janitor 11) transportation, such as bus driver, taxi driver 12) military or security, such as police officer, soldier, fire fighter 13) farm or fishery worker 14) all other occupations.

4.4 Siblings

One concern is that the gaps we record in upward mobility are driven by selection—perhaps LGBQ+ individuals have other traits that are correlated with lower upward mobility, irrespective of sexuality. We cannot fully dismiss this concern, but we use sibling comparisons to rule out cross-family selection. Add Health identifies a sample of more than 3,000 siblings, and we run regressions of the form:

$$R_i = \alpha + \beta \text{LGBQ}_i + \gamma_f + \varepsilon_i \tag{5}$$

where γ_f is a fixed effect for family f. These comparisons implicitly hold constant parental income, which is defined at the household level. First, we omit the family fixed effect and restrict to the sample of siblings, displayed in Figure 6, Panel A. Again, there is a large rank penalty for LGBQ+ individuals relative to their siblings, suggesting that family-level selection is not driving our results. We also restrict to males and females, respectively, and see that once again, LGBQ+ males experience a large income gap relative to siblings. Panel B displays the same results from specifications that include family fixed effects, and we see that even restricting the comparisons to be within family, there is a large rank penalty for LGBQ+ individuals. Finally, in the "Brothers" specification, we estimate the same regression among families where there is at least one LGBQ+ male and at least one Non-LGBQ+ male. This regression shows that LGBQ+ men experience a large income rank gap, on the order of 12 percentiles, relative to their Non-LGBQ+ brothers. In contrast, an analogous regression for LGBQ+ women suggests that LGBQ+ women experience a large premium over their non-LGBQ+ sisters, with a similar magnitude of effect size. How do we square these contrasting results? Because the LGBQ+ sample is much more female than siblings, restricting within family makes comparisons between Non-LGBQ+ brothers and LGBQ+ sisters, where we expect to see negative penalties due in part to sex. However, when we restrict to families where we observe an LGBQ+ child and a non-LGBQ+ sibling of the same sex, there is still strong evidence for earnings gaps for LGBQ+ men. In contrast, LGBQ+ women appear to enjoy a premium over their sisters, perhaps due to greater labor force participation and a lower likelihood of ceasing work to care for children. Overall, these results reinforce that the distinctive mobility patterns we record for LGBQ+ men are not simply due to the families they are born into—instead, there are large gaps relative to brothers reared in the same household.

4.5 Returns to Mobility

We also examine whether LGBQ+ individuals experience differing returns to neighborhood and college mobility. A large literature has recorded wide heterogeneity in upward mobility across places and shown that these differences are, in part, causal (Chetty et al. 2014; Chetty and Hendren 2018a, 2018b). However, the distinct mobility patterns recorded above suggest that LGBQ+ men may not enjoy the benefits of upwardly mobile places in the same way that the general population does. Here, we take measures of mobility in neighborhoods and colleges and regress these measures on child income rank, controlling for parental income rank, in different subgroups. The regressions take the following form (estimated separately by LGBQ+ identity and sex):

$$\mathrm{R}_i = \alpha + \beta \mathrm{Mobility}_i + \gamma P_i + \varepsilon_i \tag{6}$$

where $\mathrm{Mobility}_i$ is a measure of neighborhood or college mobility. For neighborhood mobility, we use mean adult earnings for children born to parents at the 25th percentile of the income distribution. For college mobility, we use the share of students that were born to parents in the bottom quintile of income who themselves reach the top quintile. These measures are constructed by Opportunity Insights and merged into Add Health by the Carolina Population Center, preserving anonymity. Figure 7 plots these coefficients separately by group. For each other subgroup, there is a strong and positive relationship between income rank and neighborhood/college mobility, controlling for parental income. However, for LGBQ+ men, this relationship is near 0 (albeit noisily estimated). We take this as suggestive evidence that group measures of mobility at the neighborhood or college level may not benefit LGBQ+ men in the same way they do other groups.

5 Mechanisms

We record large gaps in upward mobility for LGBQ+ individuals, especially among men. Understanding the drivers of these gaps requires examining differences in factors that might predict upward mobility. First, we focus on traits measured in adolescence/high school as potential explanatory factors, including parental relationships, mental health, and friendship in-degree. Then, we examine occupation, education, and geographic mobility, which may also mediate the relation-

ship between LGBQ+ identity and economic success, but may also be the result of endogenous choices informed in part by LGBQ+ identity. Finally, we offer a decomposition of the child income rank gaps, and find that while mental health, parental relationships, and parental income can account for a small portion of the child income rank gap for LGBQ+ men, there remains a substantial unexplained gap.

First, Table 4 reports the bivariate regressions of child income rank on several of the potential mechanisms in the full sample. Each explanatory variable is standardized, so the coefficient corresponds to a one standard deviation increase in the variable. In each case, the mechanisms are positively predictive of child income rank (with the exception of the depression score, which is coded so that a higher score indicates higher mental distress). Next, we establish differences in the endowments of these traits across LGBQ+ and non-LGBQ+ individuals.

5.1 Parental Relationships

One potential mediator of the relationship between LGBQ+ identity and economic mobility is parental relationships and investment. Add Health offers a rich set of variables measuring parent-child relationships in adolescence from both the parent's perspective and the child's perspective. We use three measures: 1) a parent index that aggregates 18 parent reported items asking parents questions like "Do you trust your child?"; 2) a "mom index" that aggregates 5 similar items that the children report; 3) an analogous "dad index." There is substantial missingness in this final measure, so while we report it, it should be interpreted with more caution than the other two. Figure 8, Panel A displays coefficients from regressing these measures on an indicator for LGBQ+ identity. The left panel is for the full sample, while the middle panel restricts to males and the right panel restricts to females. Across all measures and subgroups, we see moderate differences in parental relationships, on the order of 0.2 standard deviations. Panel B restricts to the sample of siblings, and we see that these differences persist, suggesting intra-family differences in parental relationships for LGBQ+ individuals.

5.2 Mental Health

Mental health in adolescence, which is crucial for human capital development and economic success, might also contribute to the economic gaps we see for LGBQ+ men (Currie and Stabile 2009;

Currie 2025). Previous work has extensively recorded large disparities in mental health for sexual minority youth (Gonzales and Deal 2022). Add Health measures mental health in each wave, and we focus on mental health in adolescence, when adolescents completed 19 items on the Center for Epidemiologic Studies Depression (CES-D) Scale, which has been extensively validated for its relation to clinical diagnoses. We aggregate these responses into a depression score. Then, we regress this depression score on parental income rank, separately by sex and LGBQ+ status, displayed in Figure 9. It is evident that there are differences in mental distress by sexuality—across the parental income distribution, LGBQ+ females experience elevated mental distress relative to their straight counterparts. However, there is an additional distinct pattern for LGBQ+ men—while all other groups have decreasing mental distress in parental income, there appears to be no relationship between parental income and mental distress for LGBQ+ men. Instead, they appear to experience especially large mental distress gaps at the top of the parental income distribution.

5.3 Friendships

Another potential contributor to labor market success is friendships in adolescence (Lleras-Muney et al. 2020). To the extent that LGBQ+ identity might cause social frictions or limit friendship opportunities with peers, this could offer another potential explanation for gaps in upward mobility for LGBQ+ individuals. I measure friendships in adolescence using Add Health's friendship nomination data, where the full population of each school that was sampled nominated their 5 closest friends of each sex. Then, I count the number of times each individual is nominated, denoting this their "in-degree." Figure 10 plots the distributon of friendship in-degree separately by sex and LGBQ+ status. I find no evidence of differences across LGBQ+ status, though the distribution for LGBQ+ men is more dispersed than that for Non-LGBQ+ men.

5.4 Geographic Mobility

One other potential mediator of the relationship between LGBQ+ identity and economic success may be geographic mobility. Appendix Figure A6 records differences in average move distance between high school and adulthood across LGBQ+ identity and sex, as well as the probability of attending a college outside of one's Census region. Both suggest that LGBQ+ individuals have higher levels of geographic mobility, which may allow for access to a wider set of labor market

opportunities, or reduce support from existing social networks of family and friends.

5.5 Occupation

Next, we examine differences in occupational choices by LGBQ+ identity and sex. We use a 24-category occupational classification system and plot the corresponding occupational distributions in Figure 11. Panel A shows results for women and Panel B shows results for men. A chi-squared test for equality of distributions rejects the null hypothesis for both subsamples. However, there are not any clear patterns of occupational sorting along mean occupational income—instead, while the occupation distributions are distinct, these differences do not correlate with occupational income.

5.6 Education

Finally, we examine educational attainment by LGBQ+ identity, plotted in Figure 12. Panel A reports results for women, and we see that LGBQ+ women are less likely than straight women to graduate from college. In contrast, Panel B reports results for men, and we see a clear pattern of higher educational attainment for LGBQ+ men–they are more than 10 percentage points more likely to graduate college than their straight counterparts. These contrasting investment patterns are especially striking when considered in conjunction with the patterns of lower earnings seen most prominently for LGBQ+ men—despite much higher levels of educational investment, they seem to be doing much worse than their straight counterparts in the labor market. To further explore this relationship, we plot mean child income rank across 3 margins of comparison—LGBQ+ status, sex, and college attendance. Here, we see that the rank gaps for LGBQ+ men with a college degree are just as large as for those without a college degree, suggesting educational investment does not close the LGBQ+ earnings gap despite much higher rates of attainment for LGBQ+ men.

5.7 Decomposition

Finally, we decompose the share of the differences in child income rank that can be attributed to different mechanisms, having recorded differences in the endowments of these characteristics across sexuality and their correlations with subsequent economic success. For the decomposition, we focus on traits measured in adolescence—mental health, parental relationships, and parental income.

First, we perform a Kitagawa-Oaxaca-Blinder decomposition, which evaluates what share of the LGBQ-straight gap can be accounted for by differences in endowments of the characteristics we examine. We use the "values" for the traits from regressing income rank on the traits among straight individuals. Table 5 displays these results for the male sample, and shows that mental health, parental relationships, and parental income account for a negligible portion of the gap. Instead, income rank gaps are just as large (if not larger) when accounting for differences in these characteristics. We can also evaluate the contribution of each individual covariate to this decomposition using the procedure outlined by Gelbach 2016. Using an omitted variables bias argument, Gelbach outlines how we can decompose the contribution of each individual covariate to aggregate gaps. Figure 14 plots these results. We see that differences in depression scores in adolescence can account for approximately 0.6 percentiles of the rank gap (10%) between LGBQ+ and straight men, while parental relationships seem to have a more minor contribution. However, the inclusion of parental income pushes the difference in the other direction because LGBQ+ men come from higher income families. Overall, these results suggest that a large portion of the income rank gap for LGBQ+ men remains unexplained.

6 Conclusion

We study the intergenerational mobility of LGBQ+ individuals and record several distinctive patterns. LGBQ+ men have lower expected income rank for a given level of parental income—their rank-rank slope is much shallower, leading to a large income rank gap for those born to parents at the top of the income distribution. Additionally, they are less likely to exceed their parents' rank—while 28% of heterosexual men born to parents in the top income quartile exceed their parents rank, only 11% of similar LGBQ+ men do so. Additionally, these differences are robust to considering sibling comparisons, where we show that LGBQ+ men experience a 12 percentile rank gap relative to their brothers. We also record mobility differences in education, showing that LGBQ+ men are far more likely to attend college than their straight counterparts at low levels of parental income and education, but these gaps close as parental income or education increase. Finally, we show that LGBQ+ men are much less likely to follow their father's occupation, suggesting these distinctive patterns of mobility extend beyond income and human capital.

While previous studies have highlighted differences in intergenerational mobility for other socially marginalized groups (Chetty et al. 2019; Abramitzky et al. 2021; Jácome, Kuziemko, and Naidu 2022), we are the first to examine LGBQ+ individuals, who face distinct legal constraints and social pressures. Especially given the rapid changes in the legal landscape surrounding employment nondiscrimination, marriage, and healthcare access for sexual and gender minorities, our findings motivate further research on the economic success of this group. While other research has recorded gaps in economic and health outcomes for sexual minorities (Badgett, Carpenter, and Sansone 2021), we are the first to incorporate an intergenerational perspective that allows us to show distinctive patterns of mobility across several domains.

We examine a wide variety of mechanisms, leveraging rich data on parental relationships, mental health, friendships, occupational choice, educational attainment, and geographic mobility. We find differences in the endowments of these mechanisms across sexuality, and link them to later-life economic success. Nonetheless, decomposition analyses indicate that these mechanisms explain only a modest portion of the observed income rank gap, underscoring the complexity and potential role of unmeasured factors such as stigma, discrimination, or structural barriers.

Despite the limitation posed by the small sample size of sexual minorities in our dataset, our results contribute novel insights and highlight fruitful areas for future research. Improved data availability offers promising opportunities for deeper analysis using quasi-experimental or causal approaches. Future studies could investigate how evolving legal frameworks, geographic variation, and changing social attitudes toward sexual minorities shape economic mobility, further enriching our understanding of inequality and intergenerational transmission.

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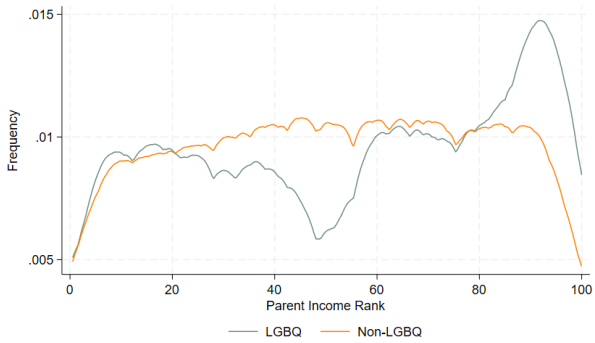
Tables and Figures

Figure 1: LGBQ+ Men Have Higher Income Parents

Panel A: Female

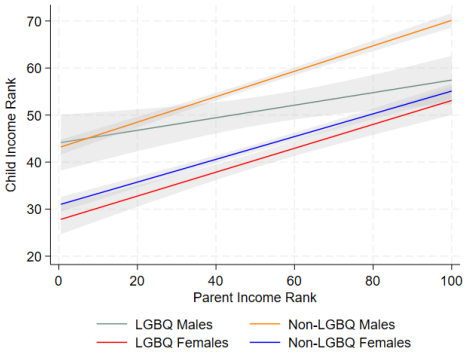
Panel B: Male



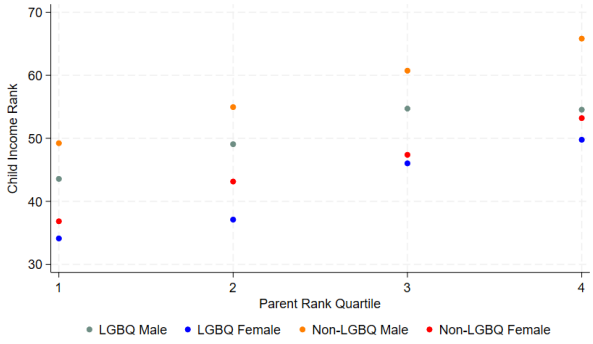
Note: Panel A presents the distribution of parental income rank separately by LGBQ+ status for females. Panel B presents the distribution of parental income rank separately by LGBQ+ status for males. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Parent income is mean household income from 1994–1995.
Source: Add Health; Authors' calculations.

Figure 2: LGBQ+ Men Have Lower Upward Income Mobility

Panel A: Rank-Rank



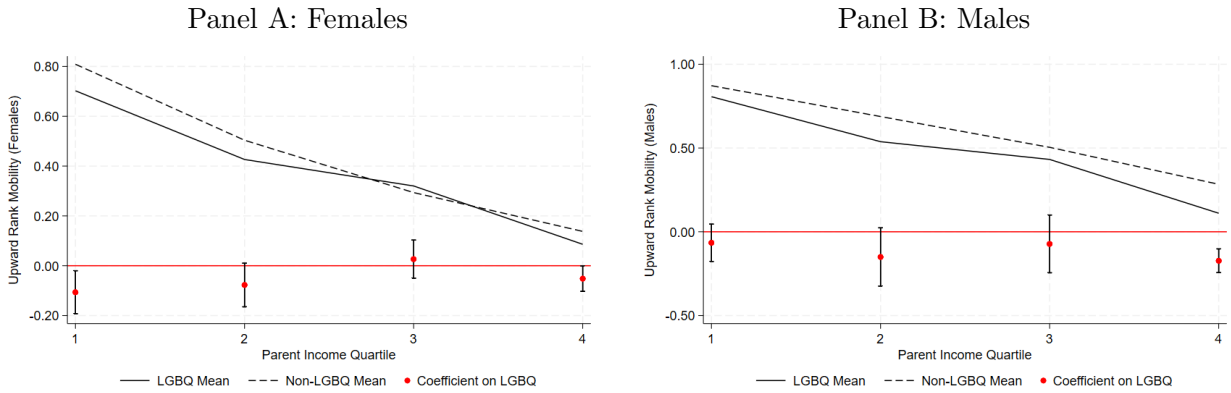
Panel B: Nonparametric Quartiles



Note: Panel A presents the relationship between parental income rank and child income rank separately by LGBQ+ status and sex. Panel B presents mean child income rank by parental income quartile separately by LGBQ+ status and sex. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Child income is the mean of 2006/2007 individual or household income (when the child is between 26 and 30 years old), while parent income is mean household income from 1994–1995.

Source: Add Health; Authors' calculations.

Figure 3: LGBQ+ Individuals Are Less Likely To Exceed Their Parents' Rank

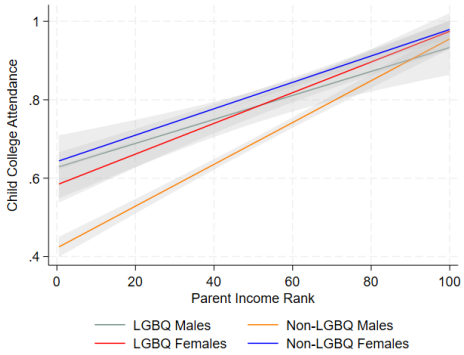


Note: Panel A plots the mean of an indicator for child income surpassing parent income for each parent rank quartile, separately by LGBQ+ status among females. The coefficient plots below come from regressing the upward rank mobility indicator on an indicator for LGBQ+ identity, among that parental income quartile. Panel B plots the mean of an indicator for child income surpassing parent income for each parent rank quartile, separately by LGBQ+ status among males. The coefficient plots below come from regressing the upward rank mobility indicator on an indicator for LGBQ+ identity, among that parental income quartile. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Child income is the mean of 2006/2007 individual or household income (when the child is between 26 and 30 years old), while parent income is mean household income from 1994–1995.

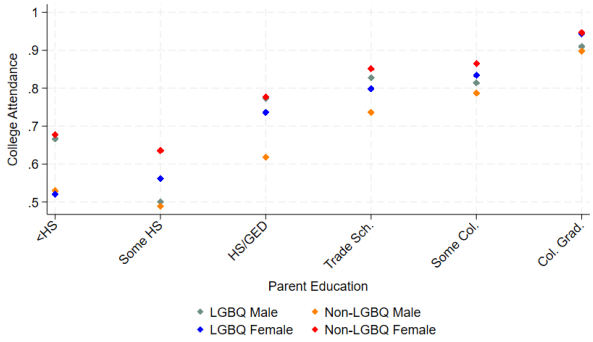
Source: Add Health; Authors' calculations.

Figure 4: LGBQ+ Men Have Lower Upward Educational Mobility

Panel A: College and Parental Income



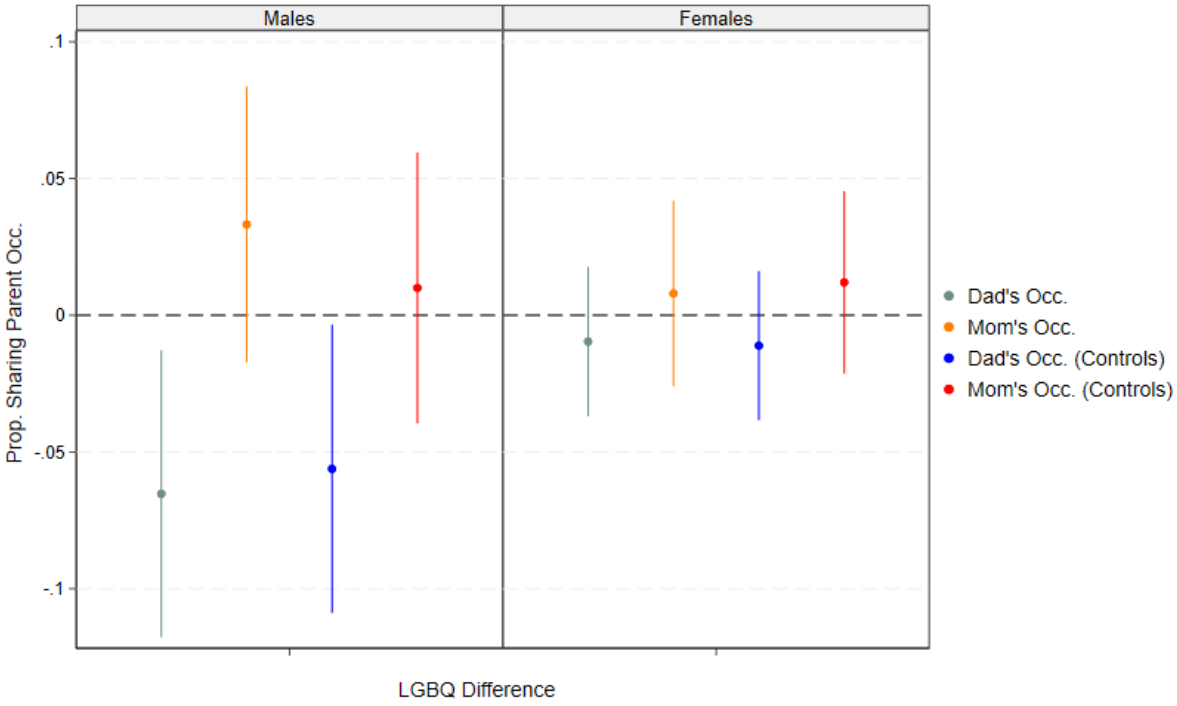
Panel B: College and Parental Education



Note: Panel A presents the relationship between parental income rank and an indicator for college attendance separately by LGBQ+ status and sex. Panel B presents mean college attendance by parental education level separately by LGBQ+ status and sex. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Child college attendance is the 2006/2007 reported education level (when the child is between 26 and 30 years old) being either "Some College" or "College Graduate," while parental education is reported educational attainment from 1994–1995.

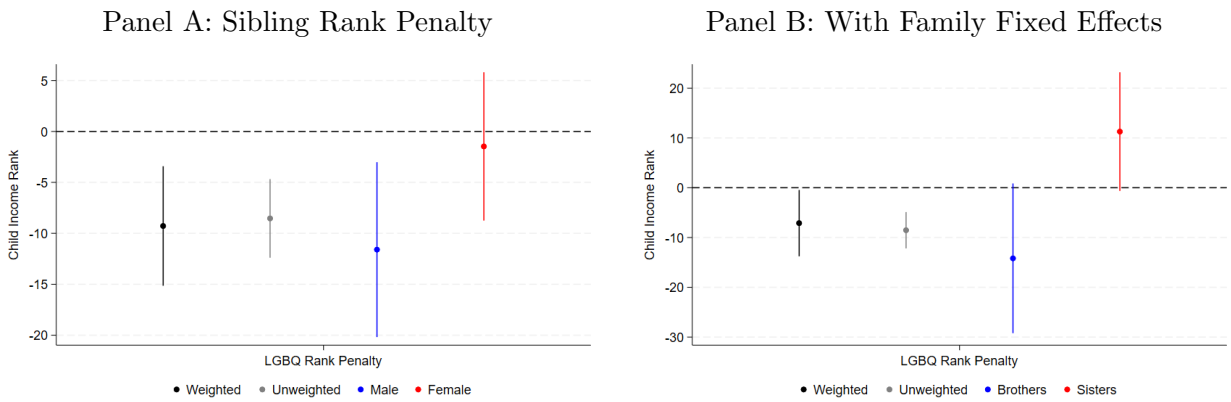
Source: Add Health; Authors' calculations.

Figure 5: LGBQ+ Men Follow Their Father's Occupation Less



Note: This figure shows relationship between an indicator for sharing a parent's occupational category and an indicator for LGBQ+ identity. The left panel is among the sample of males, while the right is among females. The green coefficients are from regressions where sharing an occupation with the father is the outcome, while the orange are for analogous with mother's occupation. The blue and red coefficients are from similar regressions, where controls for the sex composition of the occupation have been added.
Source: Add Health; Authors' calculations.

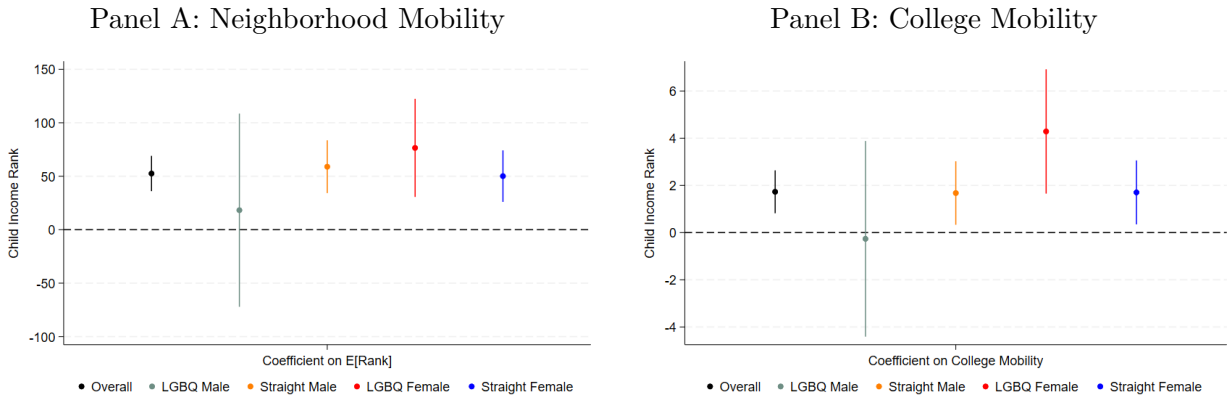
Figure 6: LGBQ+ Men Have Lower Income Than Their Non-LGBQ+ Siblings



Note: Panel A presents the coefficients on an indicator for LGBQ+ identity among a sample of siblings. The Weighted and Unweighted coefficients correspond to regressions that use and do not use sample weights, respectively, while the Male and Female coefficients correspond to regressions that restrict only to Male or Female respondents. Panel B presents the same coefficients from regressions that include fixed effects for families (so all comparisons are within family). Now, the Brother and Sister coefficients correspond to samples that restrict to families where we observe an LGBQ+ child and at least one Non-LGBQ+ child of the same sex. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Child income is the mean of 2006/2007 individual or household income (when the child is between 26 and 30 years old), while parent income is mean household income from 1994–1995.

Source: Add Health; Authors' calculations.

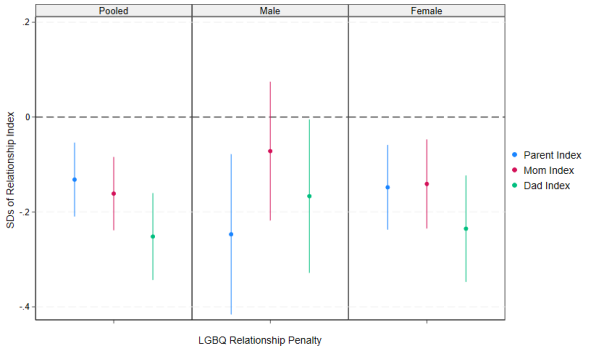
Figure 7: LGBQ+ Men May Benefit Less From Neighborhood or College Mobility



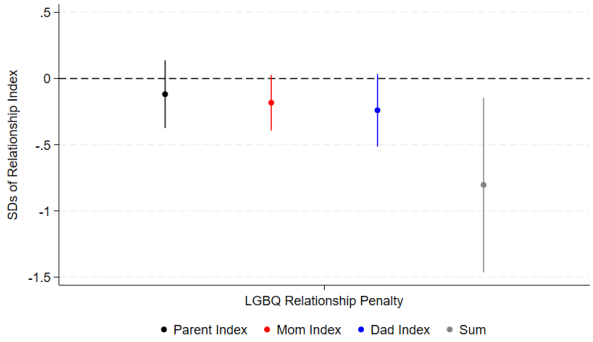
Note: Panel A presents the coefficients on a measure of neighborhood mobility (mean adult earnings for children born to parents at the 25th percentile of the income distribution), separately by LGBQ+ status and sex. Each regression controls for parental income rank. Panel B presents the coefficients on a measure of college mobility (percent of students with parents in bottom 20% of income distribution who reach the top 20% of income), separately by LGBQ+ status and sex. Each regression controls for parental income rank. Panel A is based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question), while Panel B is based on the subset that attended college. Mobility measures come from auxiliary estimates from Opportunity Insights that have been merged to Add Health data. Child income is the mean of 2006/2007 individual or household income (when the child is between 26 and 30 years old), while parent income is mean household income from 1994–1995.
Source: Add Health; Opportunity Insights; Authors' calculations.

Figure 8: LGBQ+ Children Have Worse Parental Relationships, Even Relative to Siblings

Panel A: Full Sample



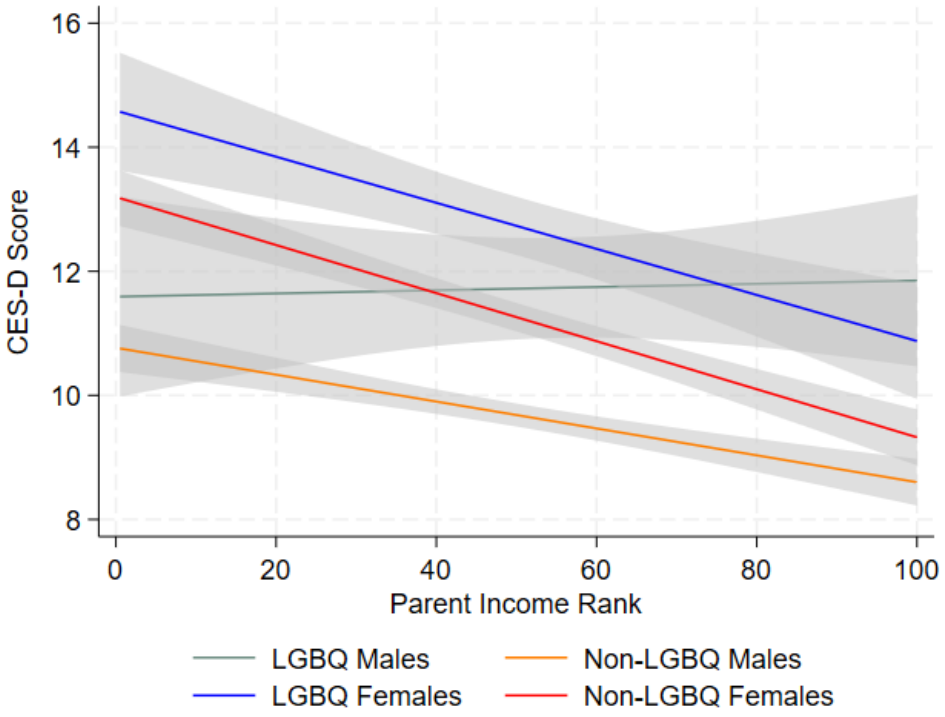
Panel B: Sibling Sample



Note: Panel A presents the relationship between three measures of parent-child relationships and an indicator for LGBQ+ identity. The left subpanel pools all respondents, while the middle subpanel restricts to males and the right subpanel restricts to females. The parent index aggregates 18 questions that parents answer about their relationship with their adolescents. The mother index aggregates 5 items that children answer about their mother, and the father index aggregates 4 items that children answer about their father. Panel B conducts similar regressions within a sample of siblings, and pools all respondents. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question).

Source: Add Health; Authors' calculations.

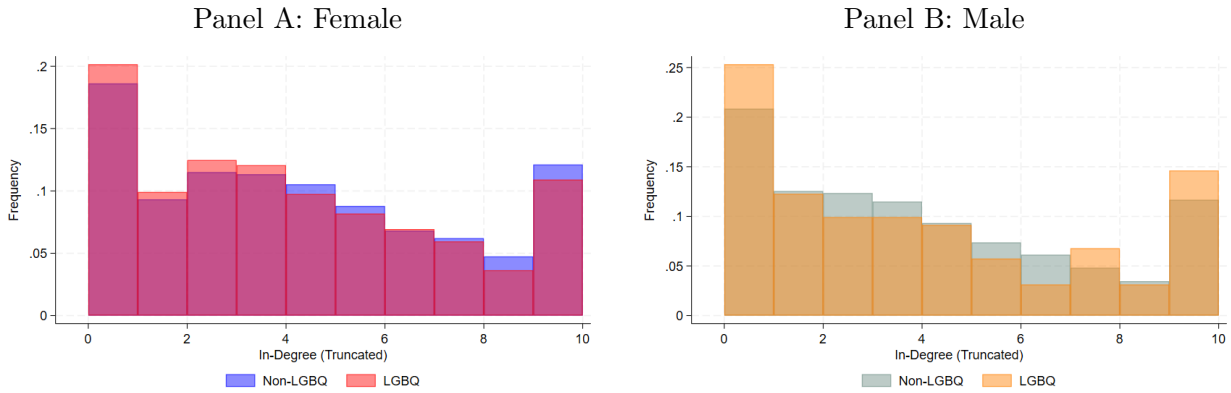
Figure 9: Parental Income Provides Limited Mental Health Advantages for LGBQ+ Men



Note: This figure shows the relationship between the CES-D depression score (a measure of mental distress) and parental income, separately by LGBQ+ status and sex. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question).

Source: Add Health; Authors' calculations.

Figure 10: Friendships and LGBQ+ Identity

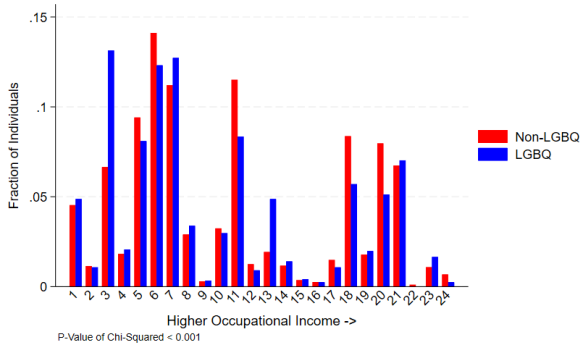


Note: Panel A presents the distribution of friendship in-degree separately by LGBQ+ status for females. Panel B presents the distribution of friendship in-degree separately by LGBQ+ status for males. Friendship in-degree is calculated from peer nominations of their five closest friends of each gender. Friendship counts greater than 10 were recoded as 10. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Parent income is mean household income from 1994–1995.

Source: Add Health; Authors' calculations.

Figure 11: Occupations and LGBQ+ Identity

Panel A: Female



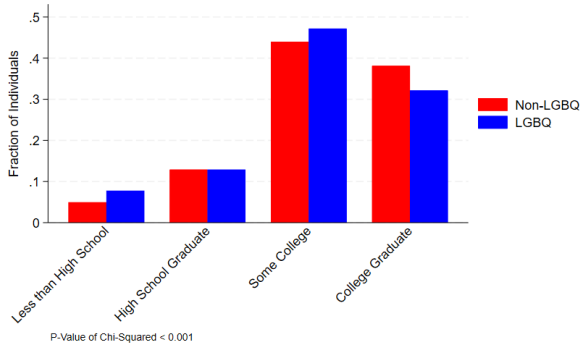
Panel B: Male

Note: Panel A presents the distribution of occupation separately by LGBQ+ status for females. Panel B presents the distribution of occupation separately by LGBQ+ status for males. Occupations are arranged in order of occupational income. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Parent income is mean household income from 1994–1995.

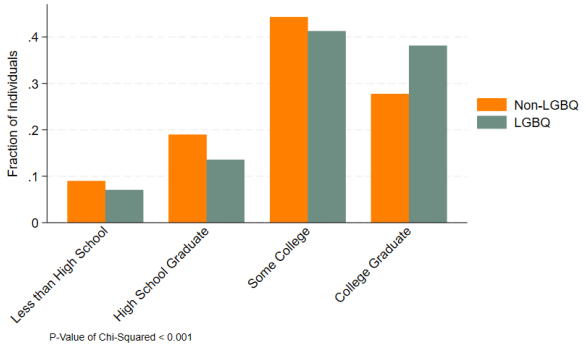
Source: Add Health; Authors' calculations.

Figure 12: Educational Attainment and LGBQ+ Identity

Panel A: Female

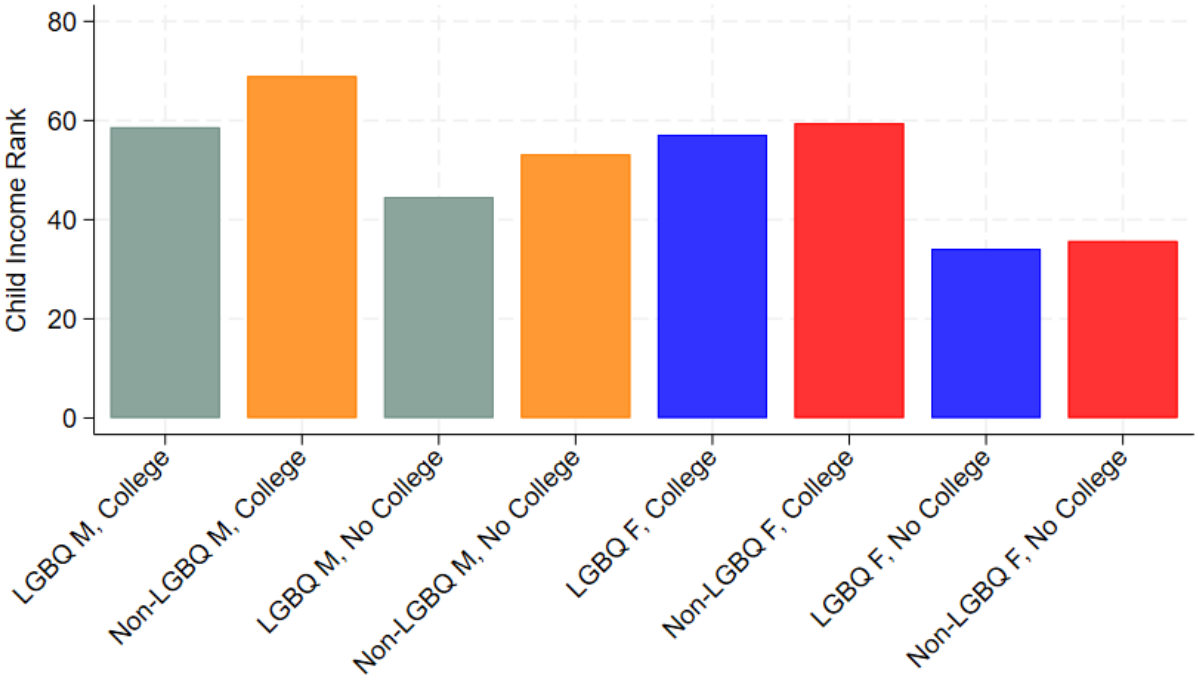


Panel B: Male



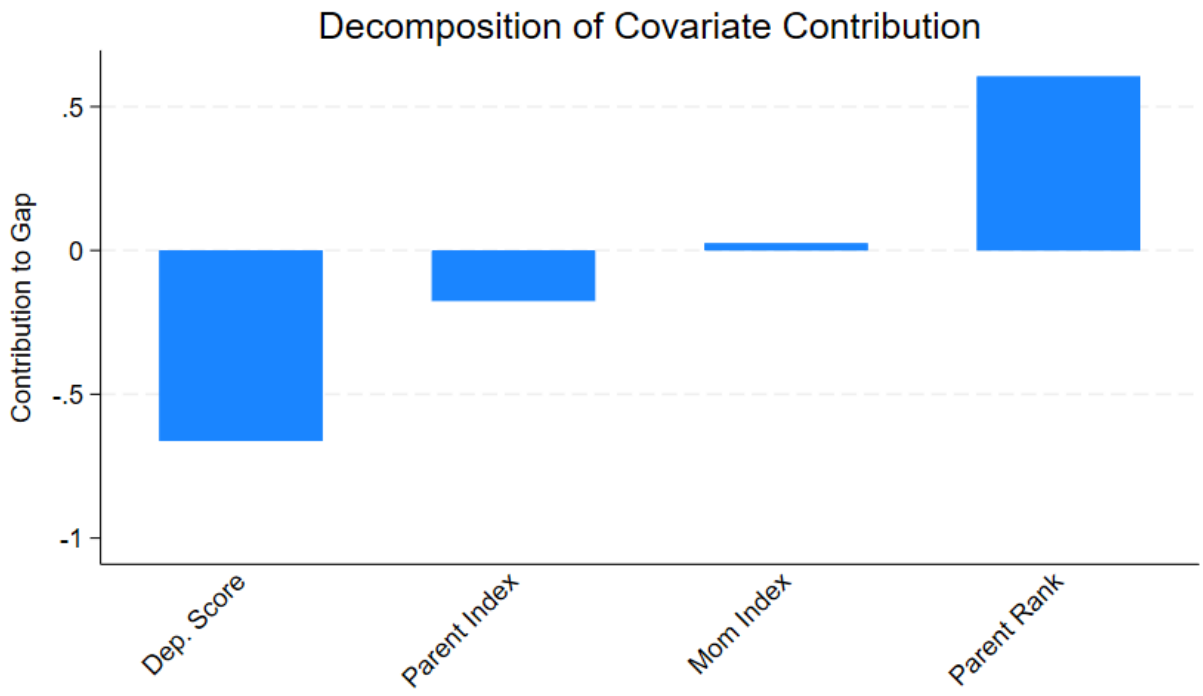
Note: Panel A presents the distribution of educational attainment separately by LGBQ+ status for females. Panel B presents the distribution of educational attainment separately by LGBQ+ status for males. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question).
Source: Add Health; Authors' calculations.

Figure 13: College Attendance Does Not Close Earnings Gaps for LGBQ+ Men



Note: This figure plots mean child income rank, separately by college attendance, LGBQ+ status, and sex. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question).
Source: Add Health; Authors' calculations.

Figure 14: Contribution of Adolescent Mechanisms



Note: This figure plots the contribution of mental health, two measures of parental relationships, and parental income to the LGBQ+ income rank gap for men using the methods outlined in Gelbach 2016. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question).
Source: Add Health; Authors' calculations.

Table 1: Descriptive Statistics

	LGBQ Males	Straight Males	LGBQ Females	Straight Females
Child Earnings	35177.73	42166.60	27924.53	29382.62
College Attendance	0.79	0.72	0.79	0.82
White	0.70	0.71	0.75	0.67
Black	0.17	0.18	0.17	0.22
Parent Earnings	55859.01	46060.33	50733.88	46231.83
Parent College Attendance	0.59	0.56	0.58	0.53
Observations	383	5022	1210	4719

Source: Add Health, authors' calculations.

Note: This table presents summary statistics on income and demographic characteristics by LGBQ+ status and sex. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Child income is the mean of 2006/2007 individual or household income (when the child is between 26 and 30 years old), while parent income is mean household income from 1994–1995.

Source: Add Health; Authors' calculations.

Table 2: Rank-Rank Results

	Males	Females
Parent Income Rank	0.270***	0.242***
	(0.0196)	(0.0187)
LGBQ	1.007	-3.208
	(4.308)	(2.374)
Parent Rank*LGBQ	-0.137**	0.0120
	(0.0670)	(0.0434)
Intercept	43.08***	30.91***
	(1.174)	(1.013)
Observations	5088	5584

Standard errors in parentheses

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

Note: Column 1 displays results from regressing child income rank on parent income rank, an indicator for LGBQ+ status, and their interaction among males. Column 2 does the same for females. Both regressions are weighted by sample weights. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Parent income is mean household income from 1994–1995.

Source: Add Health; Authors' calculations.

Table 3: Education-Parental Rank Results

	Males	Females
Parent Income Rank	0.00533***	0.00337***
	(0.000302)	(0.000267)
LGBQ	0.206***	-0.0592
	(0.0688)	(0.0434)
Parent Rank*LGBQ	-0.00227**	0.000547
	(0.000972)	(0.000658)
Intercept	0.422***	0.642***
	(0.0200)	(0.0183)
Observations	5088	5584

Standard errors in parentheses

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

Note: Column 1 displays results from regressing an indicator for college attendance on parent income rank, an indicator for LGBQ+ status, and their interaction among males. Column 2 does the same for females. Both regressions are weighted by sample weights. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Parent income is mean household income from 1994–1995.

Source: Add Health; Authors' calculations.

Table 4: Correlation of Mechanisms with Child Income Rank

	Income Rank	Income Rank	Income Rank	Income Rank	Income Rank	Income Rank
Parent Index	2.898***					
	(0.398)					
Mom Index		0.849**				
		(0.393)				
Dad Index			1.084**			
			(0.451)			
Depression Score				-4.222***		
				(0.389)		
In-degree					2.877***	
					(0.380)	
Move Distance						1.829***
						(0.521)
Observations	10135	10190	7696	10633	10672	9191

Standard errors in parentheses

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

Note: This table correlates measures of mechanisms with mean child income rank. All predictors are measured in standard deviations. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question) and weighted by survey weights.
Source: Add Health; Authors' calculations.

Table 5: Oaxaca-Blinder Decomposition for LGBQ Mobility (Males)

	Weighted	Unweighted
overall		
Non-LGBQ Mean	57.24***	57.62***
	(0.428)	(0.416)
LGBQ Mean	51.86***	51.23***
	(1.669)	(1.590)
Difference	5.380***	6.391***
	(1.723)	(1.643)
Explained	-0.332	0.189
	(0.542)	(0.450)
Unexplained	5.713***	6.202***
	(1.705)	(1.617)
Observations	4581	4825

Standard errors in parentheses

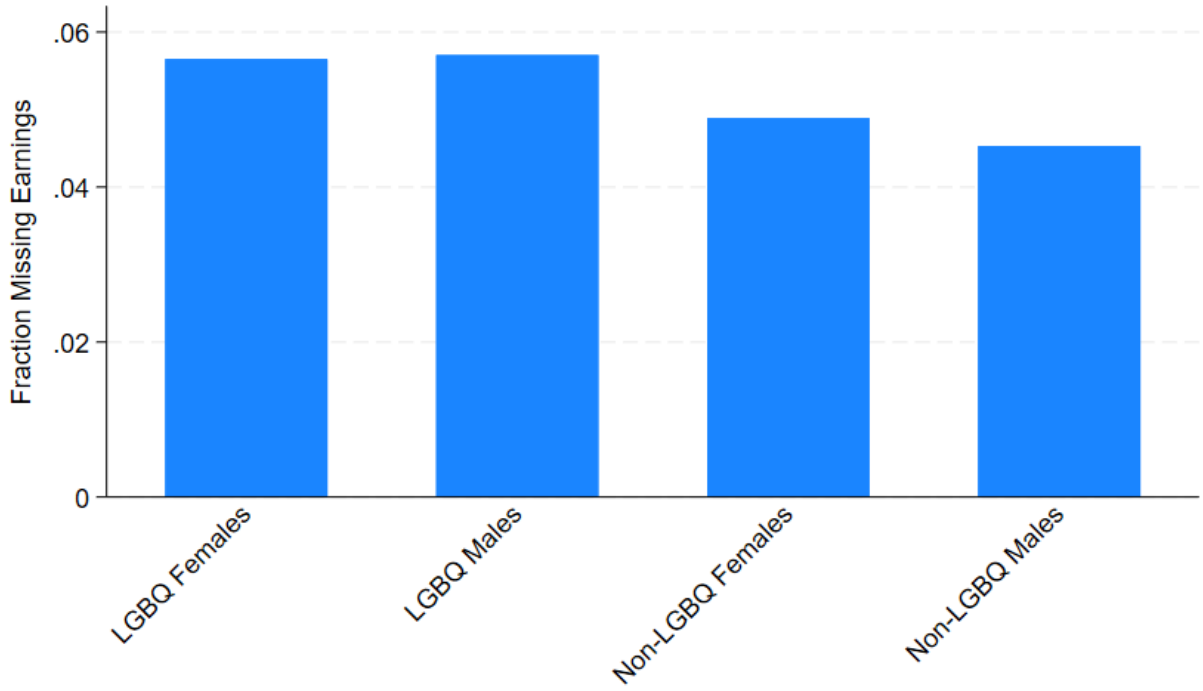
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Note: Column 1 displays mean child income rank among non-LGBQ+ men and LGBQ+ men, respectively, in the first two rows. Then, the "Explained" row reports the portion of the difference that is accounted for by differences in the endowments of the traits considered (parental relationships, mental health, and parental income). Finally, the "Unexplained" row reports the remainder that is unexplained. Column 1 uses sample weights. Column 2 does the same without sample weights. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Parent income is mean household income from 1994–1995.

Source: Add Health; Authors' calculations.

Appendix Tables and Figures

Figure A1: Missing Earnings by LGBQ+ Status and Sex

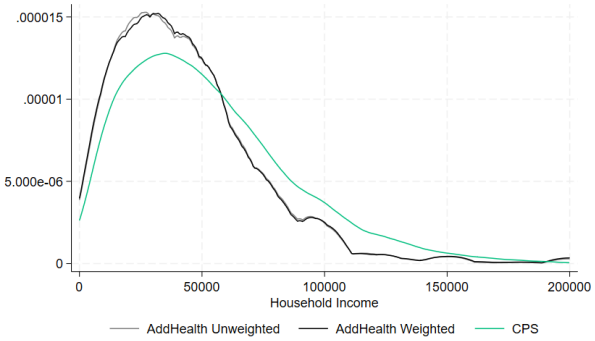


Note: This figure plots the mean of an indicator for missing child earnings separately by LGBQ+ status and sex.

Source: Add Health; Authors' calculations.

Figure A2: Comparing Add Health Earnings to CPS

Panel A: Parent Income

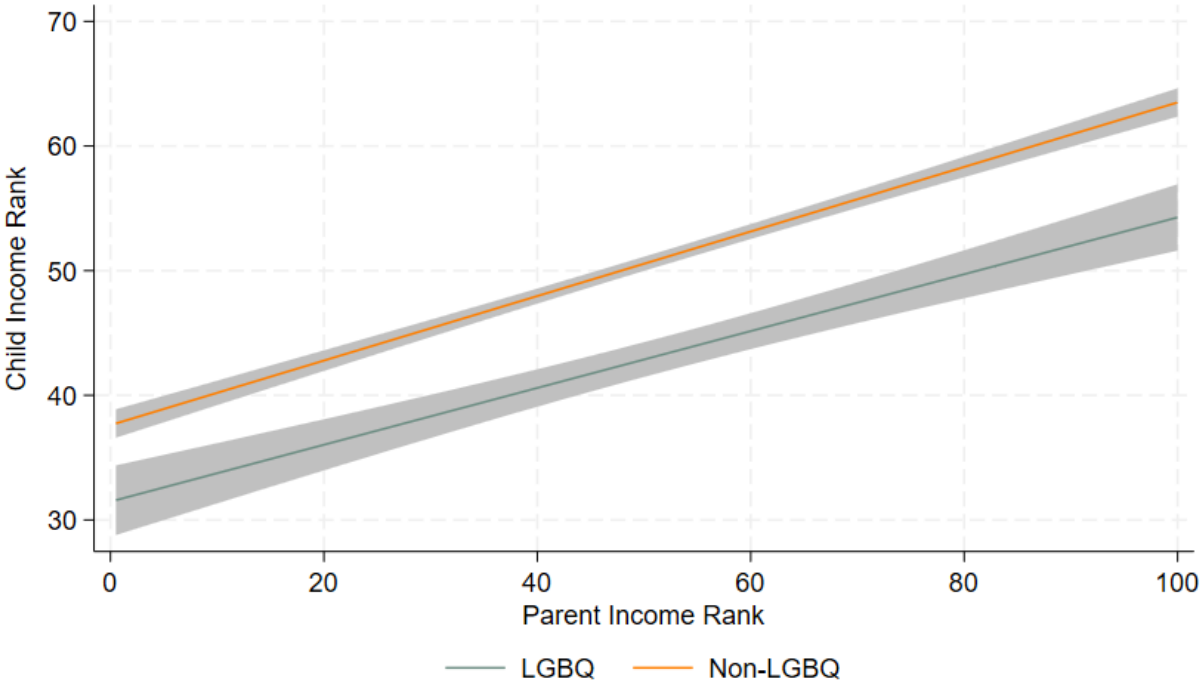


Panel B: Child Income

Note: Panel A plots the distribution of parental income in Add Health alongside the CPS income distribution for parents of adolescents in 1994 and 1995. Panel B plots the distribution of child income alongside the CPS income distribution for 26-30 year olds in 2006. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Parent income is mean household income from 1994–1995.

Source: Add Health; Authors' calculations.

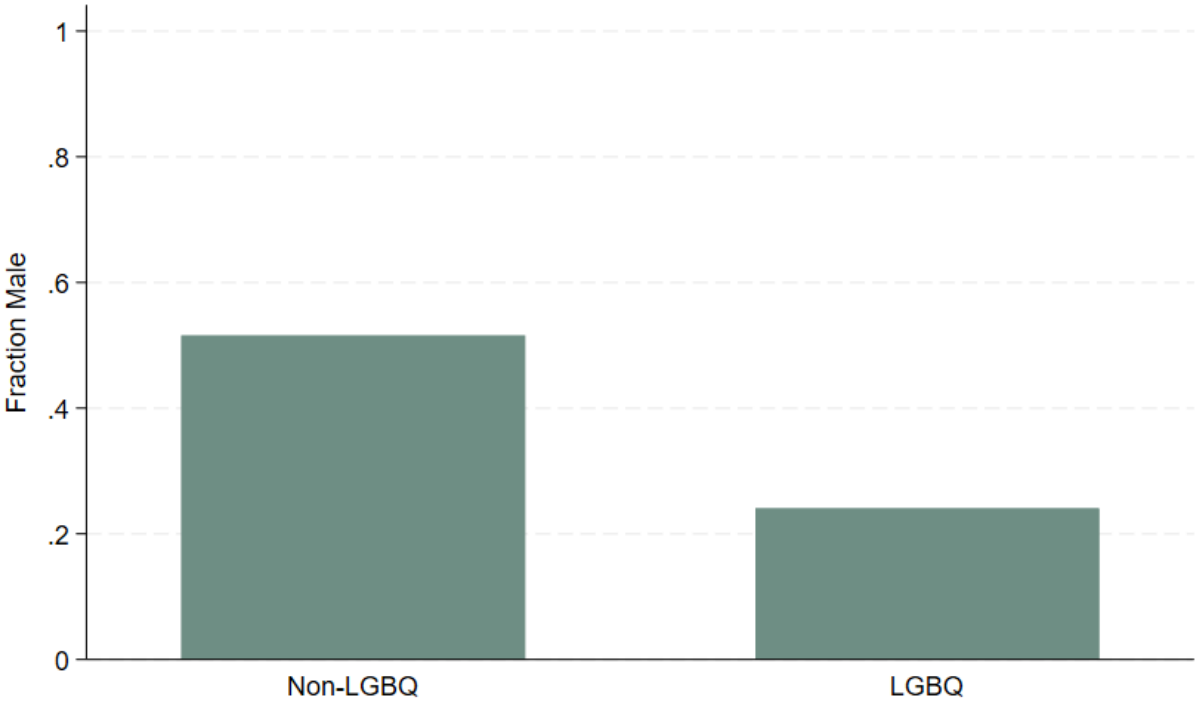
Figure A3: Child Income Rank and Parental Income Rank, By LGBQ+ Status



Note: This figure plots the relationship between parental income rank and child income rank, separately by LGBQ+ status. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Child income is the mean of 2006/2007 individual or household income (when the child is between 26 and 30 years old), while parent income is mean household income from 1994–1995.

Source: Add Health; Authors' calculations.

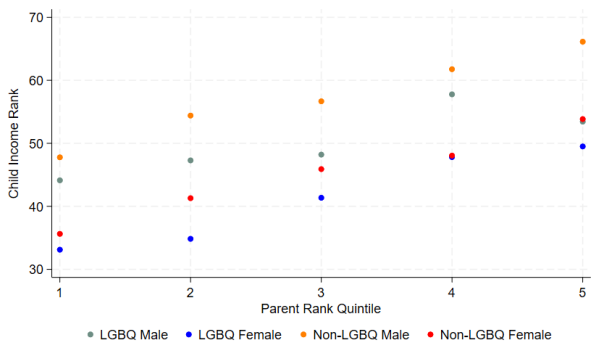
Figure A4: Fraction Male, By LGBQ+ Status



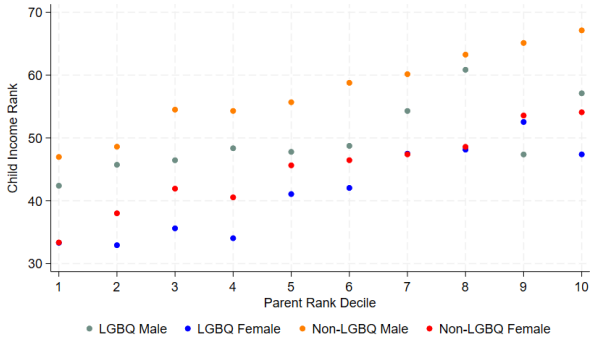
Note: This figure plots the share of the sample that is male, separately by LGBQ+ status. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question).
Source: Add Health; Authors' calculations.

Figure A5: Child Income and Parent Income, Separately By LGBQ+ Status and Sex

Panel A: Quintiles



Panel B: Deciles

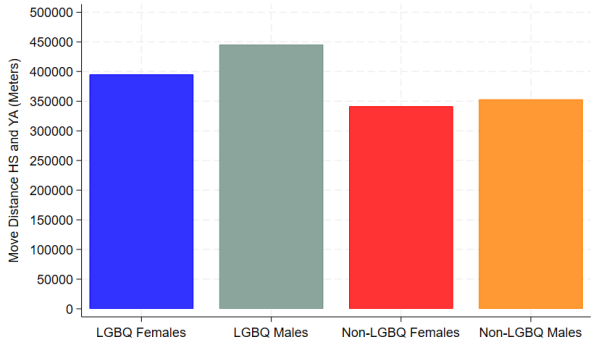


Note: Panel A plots mean child income rank for each quintile of the parental rank distribution, separately by LGBQ+ status and sex. Panel B plots mean child income rank for each decile of the parental rank distribution, separately by LGBQ+ status and sex. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Child income is the mean of 2006/2007 individual or household income (when the child is between 26 and 30 years old), while parent income is mean household income from 1994–1995.

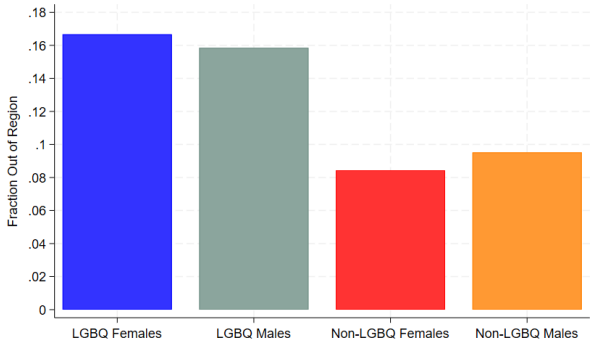
Source: Add Health; Authors' calculations.

Figure A6: Differences in Geographic Mobility

Panel A: Move Distance



Panel B: Out-of-Region College



Note: Panel A plots the mean move distance from Wave 1 (high school) to Wave 5 of Add Health, separately by LGBQ+ status and sex. Panel B plots an indicator for attending a college in a different US Census region, separately by LGBQ+ status and sex. Panel A based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Panel B is based on the subset of college attendees.

Source: Add Health; Authors' calculations.

Table A1: Descriptive Statistics

	LGBQ Males	Straight Males	LGBQ Females	Straight Females
Child Earnings	34361.13	42518.66	27525.59	29780.83
College Attendance	0.78	0.72	0.79	0.81
White	0.61	0.61	0.63	0.57
Black	0.15	0.16	0.16	0.20
Parent Earnings	55859.01	46060.33	50733.88	46231.83
Parent College Attendance	0.49	0.48	0.49	0.44
Observations	496	6491	1586	6323

Source: Add Health, authors' calculations.

Note: This table presents summary statistics on income and demographic characteristics by LGBQ+ status and sex. All statistics are based on the primary analysis sample (children in the Add Health who reported an answer to the LGBQ+ identity question). Child income is the mean of 2006/2007 individual or household income (when the child is between 26 and 30 years old), while parent income is mean household income from 1994–1995.

Source: Add Health; Authors' calculations.