



Marriage equality and the economy

Why marriage equality is good for the economy

Australia's prohibition on same-sex marriages is bad for the economy. Legal discrimination against gay and lesbian people has been shown to have an adverse and costly impact on their mental and physical health.

Marriage is an effective welfare safety net, with married partners relying less on government in times of personal crisis than unmarried partners or singles.

Allowing same-sex couples to marry would also boost the economy through expenditure on weddings, and an increase in overseas visitors coming to Australia to marry.

Better health and greater self-reliance

Research shows gay and lesbian people experience higher-than-average levels of stress and mental health problems as a result of legal discrimination and social exclusion, particularly when that discrimination and exclusion occurs in a core institution like marriage. Studies confirm the highest risk group are young gay and lesbian people for whom legal discrimination and exclusion can contribute to suicide.

On the other hand, studies have shown that married partners, including married same-sex partners, are less likely to seek government welfare than unmarried partners or singles in times of personal crisis such as job loss or injury. The greater self-reliance of married partners is partly why marriage equality is supported by fiscally conservative bodies such as the Economist magazine and the Australian Institute of Public Affairs.

Economic boost through wedding expenditure

Allowing Australian same-sex couples to marry will inject more than \$700m into the national economy through expenditure on weddings. The figure is based on a simple formula developed by economists in the US.

It is consistent with a recent US study showing same-sex weddings injected \$111m over five years into the Massachusetts economy. Highly educated, younger workers in creative industries were 2.5 times more likely to move to Massachusetts after marriage equality.

The Australian figure is also consistent with a study that projected marriage equality in California will inject \$684m into the economy and create 2,200 jobs over three years.

Figures at a glance

\$111m

The amount contributed to the Massachusetts economy over five years by marriage equality

\$684m and 2,200 jobs

The estimated economic benefit to California from marriage equality

\$1.2m

The projected increase in government revenue from marriage equality in Rhode Island

\$742m

The estimated amount that same-sex wedding-spend will inject into the Australian economy

\$7m

The increased revenue state governments will receive from same-sex marriage licence fees

300

Number of businesses supporting same-sex marriages in Argentina

An increase in state government revenues

State and territory government revenues will benefit from marriage equality. These governments collect revenue from issuing marriage licences and from conducting on-site ceremonies in state-run registries of births, deaths and marriages.

Using the formula applied to wedding expenditure, extra revenue collected by state and territory registries of births, deaths and marriages through marriage licence fees and ceremony fees paid by same-sex couples has been estimated at \$7 million.



Marriage is a private form of social welfare. Spouses insure each other against sudden loss of income. Married couples are less vulnerable to financial stress than single people. The benefits of marriage on mental health and wellbeing, income and happiness are widely acknowledged.

Married people tend to lead more stable lives. Their relationships are more durable. Extending the marital franchise to gay and lesbian couples would multiply the number of Australians who can join this crucial social institution, spreading the positive impact of marriage on society."

Chris Berg Australian Institute of Public Affairs



I don't see gay marriage as a radical agenda; it's very relevant to many Australians."

Heather Ridout CEO, Australian Industry Group

Will it reduce federal government revenue?

No. Australia's federal government already provides same-sex couples with the same financial entitlements as heterosexual couples.

This means that tax rebates, Medicare rebates and superannuation benefits available to married couples are already available to same-sex couples.

It also means the government now imposes the same social security means test on same-sex couples that applies to married couples.

There will be no reduction in federal government revenue from marriage equality.

Effect of marriage equality on tourism

Non-resident same-sex partners marrying and honeymooning in Australia will have a positive effect on tourism.

The Mexico City Tourism authority has estimated that tourism in that city benefits by over \$100,000 per month from allowing same-sex marriages.

“When couples come to us to help them with their honeymoon, they are combining this with places where they can also get married like Capetown, Vancouver, Barcelona, Lisbon or Boston ... this is unfortunate for our local Australian tourism industry which could really be benefiting.”

Victor Hoeld
Hautes Vacances Gay Travel

The wedding-spend formula

How much an economy will gain from the wedding-spend of same-sex couples is calculated by multiplying

- a) the estimated number of same-sex couples
- b) the percentage who will marry if given the choice, and
- c) the average existing wedding spend

The last Census indicated that there are at least 50,000 same-sex couples in Australia (although the Australian Bureau of Statistics admits that the actual figure would be higher due to the way information is recorded).

“Not so Private Lives”, a recent national study conducted at the University of Queensland, showed that at least 53% of these couples would marry if they could.

In 2007 the ABS calculated the average cost of a wedding at \$28,000 (although recent studies have the figure as high as \$49,000).

Total = \$742 million

“Marriage remains an economic bulwark. Single people ... are economically vulnerable, and much more likely to fall into the arms of the welfare state. Furthermore, they call sooner upon public support when they need care – and, indeed, are likelier to fall ill (married people, the numbers show, are not only happier but considerably healthier).”

The Economist on the need for marriage equality, January 1996

Corporate support for marriage equality

A growing number of Australian corporations feel it is good business to recognise same-sex marriages, including ANZ, the Commonwealth Bank, St George, Westpac, David Jones, Qantas, ING and Telstra.

