

Marriage equality in Tasmania: the economic benefits

The equality dividend

Tasmania will receive a large economic windfall if it is the first state to allow same-sex marriages.

This “equality dividend” will come from spending on weddings.

There will also be an addition dividend from associated spending and from sending out the message that Tasmania is an open and inclusive place to live and do business.

The most conservative estimate of the value of allowing same-sex marriages to the Tasmania economy is \$96 million over three years.

The overseas experience

As well as benefiting same-sex couples and their families, marriage equality also benefits the economy.

When the US state of Massachusetts allowed interstate same-sex couples to marry, these couples spent at least \$111 million over three years on their Massachusetts weddings. In New York the same-sex wedding spend was \$259 million in the first year same-sex marriages were allowed, already exceeding projections of \$391 million over three years.

Estimates of economic impact have been calculated by respected economists such as Prof Lee Badgett from the Williams Institute at the University of California, Los Angeles.

Applying the same formula, Prof Badgett has found that Tasmania will benefit by at least \$96 million.

At a glance . . .

- Tasmania would benefit by at least **\$96 million** if it were the first state to allow same-sex couples to marry
- This is consistent with US states that have been the first movers on marriage equality.
- The “equality dividend” injects much needed income into the **small business** and **tourism** sectors and creates jobs
- The figure of \$96 million is only wedding spend, and **much more** income can be expected from spending on honeymoons and spending by family and friends
- The “equality dividend” does not distract from other reasons for reform, but it remains important at a time when the Tasmanian economy remains sluggish.

How is the equality dividend calculated?

It is relatively easy to calculate how much same-sex couples spend on their weddings.

The number of same-sex couples from the Australian Census is multiplied by the percentage of Australian same-sex couples who say they would marry in Tasmania if they could.

In turn this is multiplied by a quarter of the average heterosexual wedding spend (same-sex couples may receive less financial support from their parents to cover wedding costs, and same-sex couples who have been together for many years might not spend as much as newer couples).

Why the actual dividend will be much greater than \$96 million

All the figures used to calculate how much same-sex couples will spend on their Tasmanian weddings are low estimates, making the figure of \$96 million the very least Tasmania can expect.

Furthermore, the figure of \$96 million is only wedding spend. It does not take into account money spent on honeymoons, and money spent by family and friends traveling to Tasmania.

It also does not take into account long-term benefits to the Tasmanian economy of sending out the message to the global creative class and investment community that Tasmania is an open and inclusive place to live and do business.

The actual “equality dividend” is likely to be many times greater than the projected \$96 million.

Who will benefit from the “equality dividend”?

The direct beneficiaries will be small businesses associated with the wedding industry.

But there will also be flow-on effects for other sectors of the Tasmanian economy, especially the very important tourism industry.

All these areas of the economy are job-intensive, making marriage equality an important job-generating initiative.

Most important of all, this job-generating initiative will not cost Tasmania anything to implement.

Economic benefit from marriage equality...

- Massachusetts
\$111 million over 3 years
- New York
\$210 million over 1 year
- Tasmania
At least \$96 million over 3 years

Have Tasmanian experts acknowledged the “equality dividend”?

Yes. One of Tasmania’s leading economists, Prof Bruce Felmingham has written:

There are economic benefits that would flow by having Tasmania at the top of queue on same-sex marriages. Look at the gains made by the California economy from being the first cab off the rank in recognising same-sex marriages as legitimate.

Should we be putting a price on equality?

Marriage equality is important because it removes discrimination and strengthens relationships and families.

The fact that it will also provide Tasmania with an economic boost does not take away from the other reasons for reform.

But the equality dividend cannot be ignored as an important motive for changing the law, especially at a time when Tasmanian revenues, investment and employment are at low levels.