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5-17-2013

## Economic effects of extending marriage to same-sex couples

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### Recommended Citation

Johnston, L.D. 2013. "Economic effects of extending marriage to same-sex couples." *MinnPost*, May 17, 2013. <https://www.minnpost.com/macro-micro-minnesota/2013/05/economic-effects-extending-marriage-same-sex-couples>.

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# MINNPOST

## Economic effects of extending marriage to same-sex couples

By [Louis D. Johnston](#) | 05/17/13



MinnPost photo by Terry Gydesen

Gay marriage proponents held signs and cheered in the Capitol Rotunda following Monday's vote in the Senate.

economic effects of extending marriage to same-sex couples in Minnesota? As one of my colleagues tells students, "It's tough to get data on the future." So economists try to get around this problem by using history to create case studies from which we can draw insight.

Let me introduce you to the research of scholars whose work tells a similar story: Two revolutions in civil rights turn out to make everyone economically better off.

### Civil rights in South

**Gavin Wright** is the William Robertson Coe Professor of American Economic History at Stanford University. (Wright grew up in Minneapolis and graduated from Washburn High School.) In 1963, Wright was part of an American Friends Service Committee voter-registration project in North Carolina. This experience spurred his interest in the southern economy and led to his formative work

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on the evolution of the southern economy over the past 200 years.



In his recent book, **“Sharing the Prize: The Economics of the Civil Rights Revolution in the American South,”** Wright analyzes the long-run economic effects of the Civil Rights Act of 1964 and the Voting Rights Act of 1965 on public accommodations, labor markets, schools and voting rights.

His conclusion: “Opening the eyes of white southerners to the possibility of a prosperous, racially integrated South is one of the signal achievements of the Civil Rights revolution.”

Specifically, white-owned businesses before 1965 feared that any gains they made by serving African-Americans in department stores or hiring them as employees would be overwhelmed by lost sales to whites and racial tensions among workers.

They were wrong. “This was a revolution in which almost all parties gained,” according to Wright.

Incomes for southern whites and blacks, men and women, and rural and urban families all rose more than would have been expected had Jim Crow remained the law of the South.

## Women’s movement

Like the civil rights revolution, the women’s movement led to increases in family income that would not have been possible otherwise. For instance, Terry Fitzgerald of the Minneapolis Fed **calculated** that 60 percent of the increase in household income between 1976 and 2006 was due to women working more and earning more.

Civil rights legislation was central to this story just as it was in the South. According to **Claudia Goldin**, the Henry Lee Professor of Economics at Harvard University and president of the American Economic Association, these federal mandates operated through two channels. First, as was the case for African-Americans, the Civil Rights Act of 1964 outlawed discrimination in hiring and opened up employment opportunities to women. Second, “Title IX of the Education Amendments of 1972 required equal treatment of the sexes in educational programs, including colleges and universities.”

This meant that women were better educated, on average, and had the qualifications for all of the new positions open to them.

Equal opportunities for employment and education were thus necessary conditions for the income gains American families earned since the 1970s. Had gender roles not changed, household incomes

would have grown more slowly than they did.

Paul Wellstone was fond of saying, “We all do better when we all do better.” This is a lesson that both economic history and economics teach us as well. Our economy is stronger and more dynamic when it can take advantage of the talents of all citizens through labor markets rather than restricting occupations to selected groups. Our economy also benefits when people can choose the household arrangements that best suit them and pool their incomes and spending decisions.

Minnesota formally joined the revolution on Tuesday. If history is any guide, all of us will benefit economically from this first step into a wider world.

*Susan E. Riley contributed to this article.*

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