

The Transgender Wage and Employment Gap: Evidence from Federal Administrative Records and the American Community Survey

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Abstract

Several studies report severe economic disadvantage faced by transgender individuals, especially Male-to-Female transgender women. However the data in these studies all derive from non-random sample design, which makes the results not generalizable. Nationally representative random sample surveys that allow for analysis of the transgender population are not feasible, owing to the relatively small size of this population as well as to problems designing a question that captures transgender status satisfactorily. This paper uses information on legal changes to first names and sex coding in administrative records from the Social Security Administration to overcome these difficulties by modeling which people are likely to be transgender. I link the person-level information on modeled transgender status from the administrative records to the 5-year American Community Survey to obtain a large random sample that includes not only an indicator for transgender status, but also a rich set of economic and demographic variables. I estimate differentials in labor force participation, employment, and hourly wages based on transgender status. Preliminary results suggest that Female-to-Male transgender men earn less than non-transgender men but slightly more than non-transgender women. Transgender women, on the other hand, earn less than non-transgender men and non-transgender women. Transgender women also have the lowest employment and labor force participation rates of all four groups. These are the first estimates of the transgender wage and employment gaps based on a large random sample.

Keywords: Transgender, Transsexual, Gender, Record Linkage, Wage Gap, Employment Gap
JEL classification: J1, J15, J16, J31, J71

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