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### Now That We Do: Same-sex Couples and Marriage in Massachusetts, a Demographic and Economic Perspective

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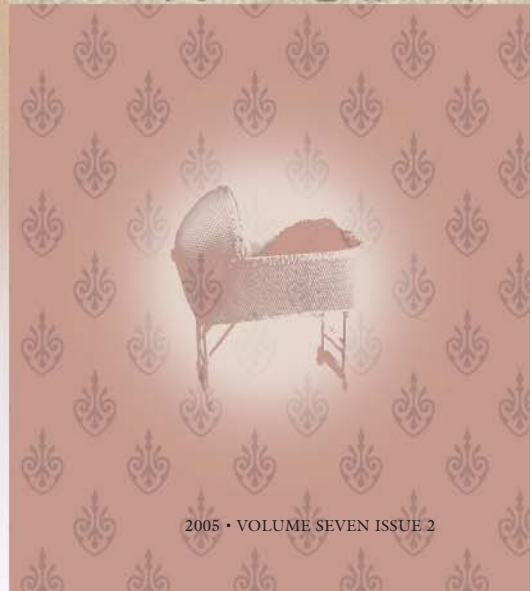
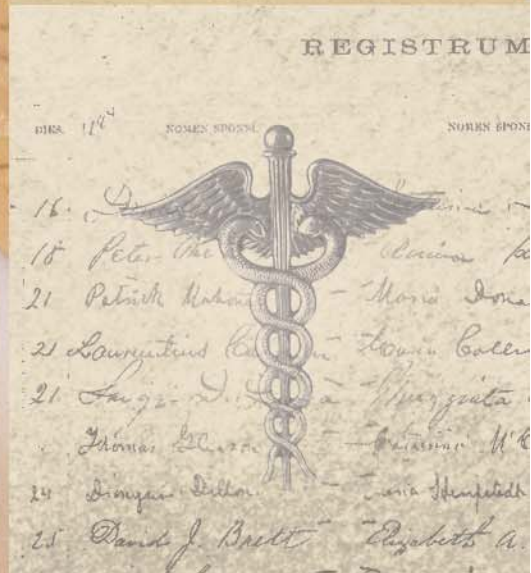
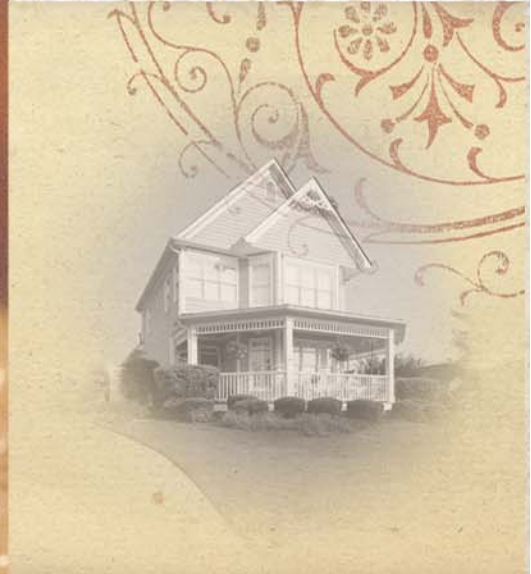
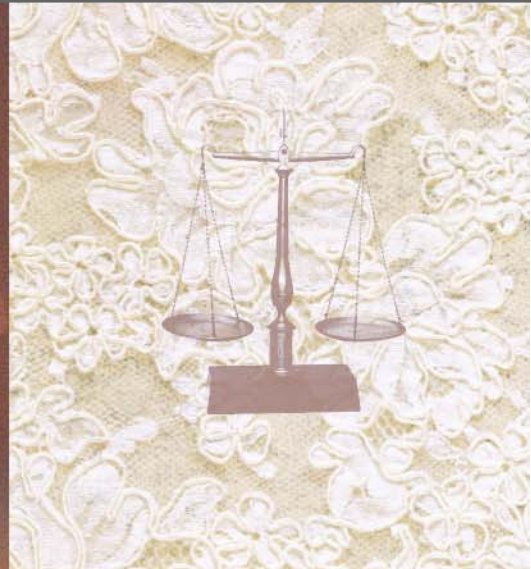
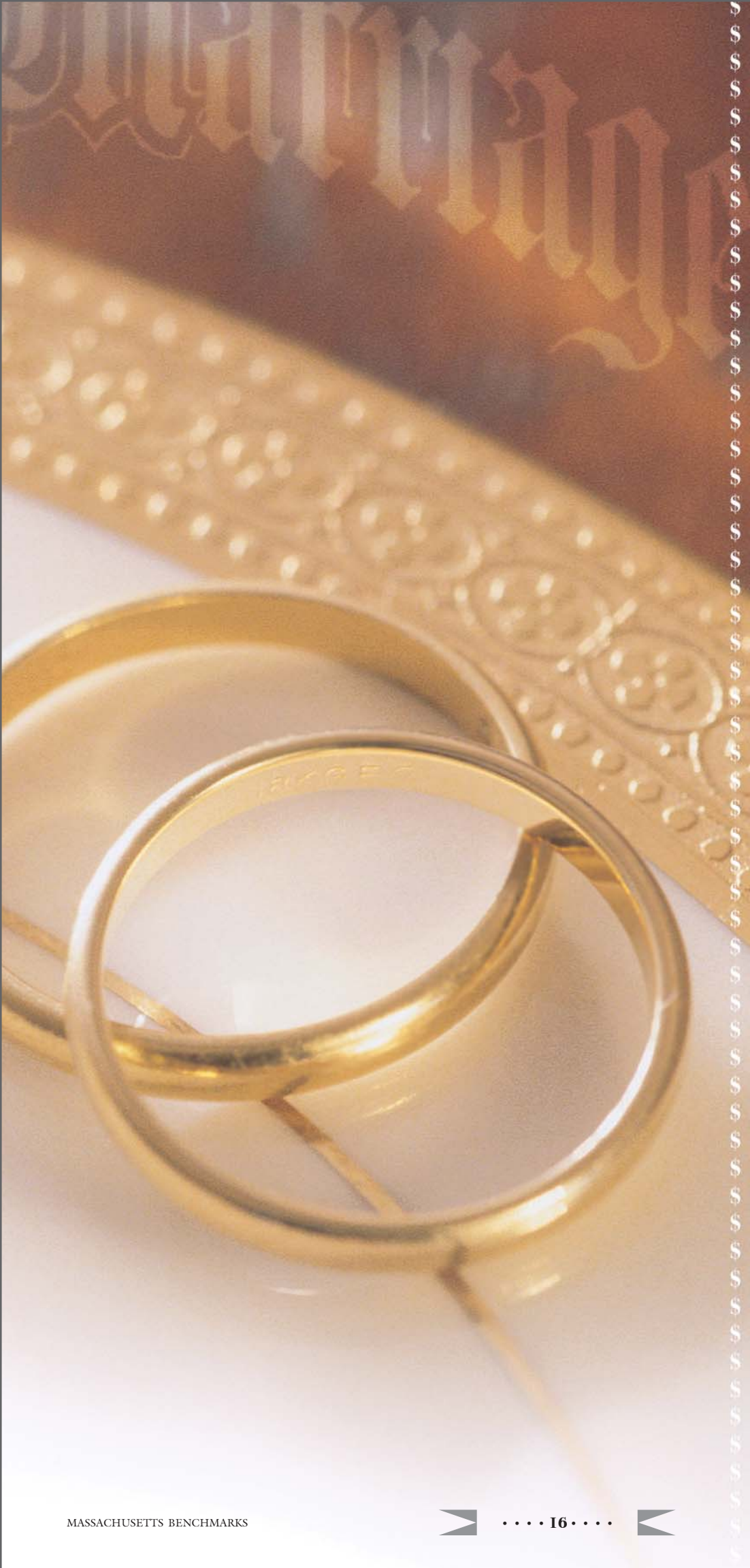
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# Now That We Do:

## Same-sex couples and marriage in Massachusetts

### *A demographic and economic perspective*



.....  
RANDY ALBELDA, MICHAEL ASH AND M. V. LEE BADGETT  
.....

*Gay and lesbian couples can now legally marry in Massachusetts. This article examines the demographics of same-sex couples and concludes that gay marriage will have a relatively small but positive long-term aggregate economic impact on the Commonwealth.*

In the wake of the Massachusetts Supreme Judicial Court ruling that the Commonwealth must give the right to marry to same-sex couples, cities and towns began issuing marriage licenses to same-sex couples last May. The court decision and the ensuing legislative deliberations on marriage for same-sex couples have brought new attention to gays and lesbians in the Commonwealth. While much of the focus has centered on the social, political and moral implications of the SJC ruling on the institution of marriage, little direct light has been shed on whom the debate is about and the economic implications of marriage by gay and lesbian couples in the Commonwealth. Using Census 2000 data on same-sex couples in Massachusetts, this article describes the characteristics of same-sex couples and discusses some potential economic implications of gay marriage in Massachusetts.

*The data for this paper were recorded in the year 2000, prior to the legalization of same-sex marriages in Massachusetts. Therefore, references in this article to "married couples" always refer to heterosexual couples.*



Same-sex couple live in all parts of Massachusetts

The Census Bureau reports that 17,099 same-sex couples and 1.2 million married couples live in the Commonwealth of Massachusetts. Just over half (54 percent) of same-sex couples consist of two women; 46 percent are male couples.<sup>1</sup> As Table 1 shows, the 1990s gay and lesbian movement slogan “We Are Everywhere” rings true in Massachusetts. Same-sex couples do in fact live in counties all over the Commonwealth,<sup>2</sup> though they are somewhat concentrated

Table 1: Number of same-sex couples by MA county, 2000

	Number of same-sex couples	% of all couples in county
Barnstable County	895	1.7
Berkshire County	250	0.8
Bristol County	1,011	0.9
Dukes County	41	1.2
Essex County	1,664	1.1
Franklin County	341	2.1
Hampden County	900	1.0
Hampshire County	855	2.8
Middlesex County	3,931	1.3
Nantucket County	39	2.0
Norfolk County	1,287	0.9
Plymouth County	911	0.9
Suffolk County	3,505	3.6
Worcester County	1,469	0.9
Massachusetts Total	17,099	1.3

Source: U.S. Bureau of the Census, 2000.

in the Boston metropolitan area, which is home to about 41 percent of same-sex couples, compared to 26 percent of married couples.<sup>3</sup>

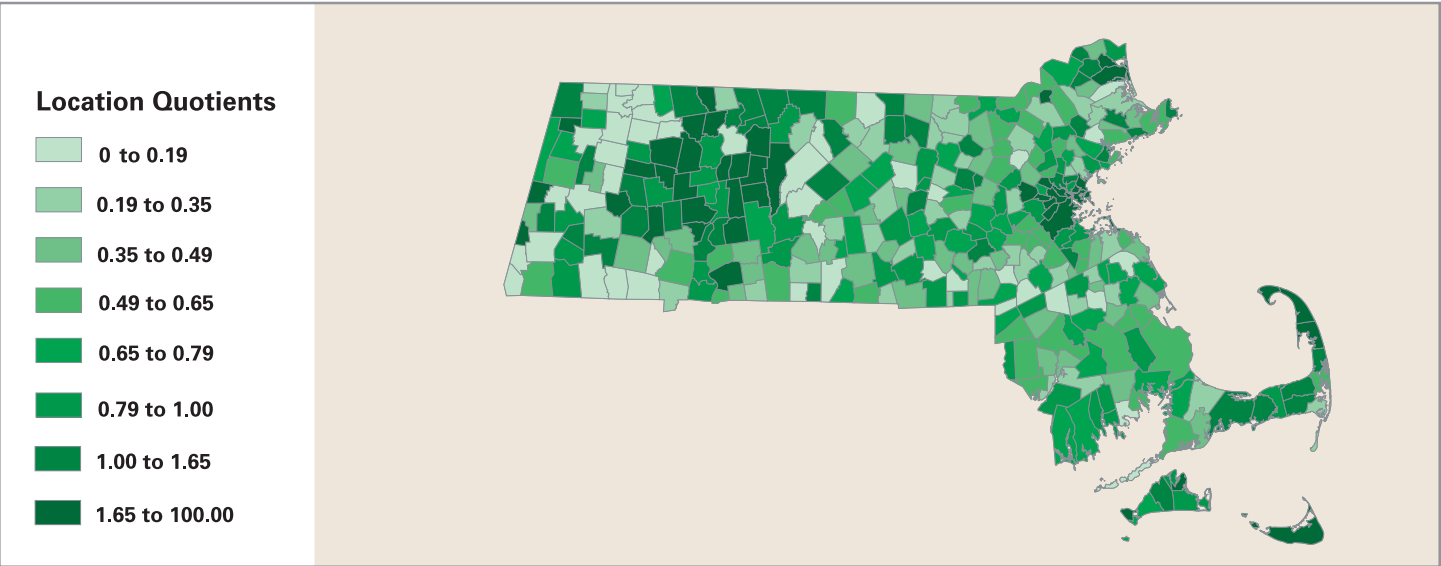
Figure 1 shows a map of the state and compares the relative concentration of same-sex couples.<sup>4</sup> We measure concentration as a “location quotient,” dividing the proportion of same-sex couples to all couples in a town/city by their proportion in the state as a whole. For example, 3.094 percent of the couples in Northampton are same-sex couples. Dividing that percentage by the same ratio for the state — 0.777 percent — yields a quotient of 3.98. The interpretation of the quotient is that the percentage of same-sex couples in Northampton is 3.98 times the proportion in the state as a whole.

The shading of the areas of the map represents the concentration. The darker the area, the more concentrated are same-sex couples relative to the state as a whole. The map shows that concentrations are highest in the Boston metropolitan area, the Northampton-Amherst area and the Cape Cod region.

Comparisons of demographic and residence characteristics

Are same-sex couples different in demographic and other terms from married couples? Table 2 depicts household characteristics of same-sex and married couples. Most couples of both types are homeowners, but differences also emerge. While four out of five married couples own a house, for example, only two-thirds of same-sex couples own their home<sup>5</sup>, though the value of same-sex couples’ homes is slightly higher. Same-sex couples have moved into their homes more recently than married couples: 56 percent moved into them within the last five years, compared to

Figure 1: Concentration of same-sex couples by town, MA 2000 (as measured by location quotients)



Source: U.S. Bureau of the Census, 2000

just under 38 percent for married couples. Same-sex couples who are renters pay more in rent per month than married couples.

Table 2 also shows that same-sex couples are more likely to be interracial and to speak Spanish in the household than married couples. Further, individuals in same-sex couples are more likely to be Hispanic and to be African-American. Individuals in same-sex couples are slightly more likely to report a disability. One in five reports some limitation, compared with 17 percent of married people.<sup>6</sup>

Finally, people in same-sex couples are, at an average age of 43, six years younger than married people. One out of every 10 gay, lesbian, or bisexual people in a same-sex couple is over 65, compared to 22.5 percent of married men and women. Same-sex couples have higher educational attainment than married people, with nearly half of those in same-sex couples having a college or graduate degree, compared to 37 percent of married people.

Comparisons of economic characteristics

Individuals with same-sex partners are more engaged in Massachusetts’ labor market than married people. As Table 3 indicates, over three-quarters (78 percent) of those in same-sex couples are employed, compared to 69 percent of married individuals. Both partners are employed in two-thirds of same-sex couples but only about 55 percent of married couples are. Employed people with same-sex partners are more likely to work in the private sector than married people, though roughly equal proportions are self-employed.

At first glance, male same-sex couples seem to be well-off compared to married couples. But a closer look reveals that this difference is in large part a product of gender differences. Women earn on average less than men, establishing a clear household income “order.” So the more men in a couple, the higher is the average household income.

Both the average and the median incomes of male couples are higher than the corresponding incomes of married couples. The median income for male couples (the income level at which half of couples are above and half below) is \$76,000, while the median married couple has a household income of \$70,900. Couples with two women have

Table 2: Demographic household and individual characteristics, MA 2000

	Same-sex couples	Married couples
HOUSEHOLD CHARACTERISTICS		
Percent homeowners	65.5%	80.7%
Property values (average)	\$267,240	\$252,510
Rent (average for renters)	\$764/month	\$720/month
Percent moving in since 1995	56.0%	37.6%
Interracial couples	11.9%	5.0%
Percent speaking Spanish in the household	9.6%	5.2%
INDIVIDUAL CHARACTERISTICS		
Hispanic	7.0%	3.8%
White	88.8%	90.8%
Black	4.9%	3.3%
American Indian/Alaskan	1.0%	0.5%
Asian/Native Hawaiian/Pacific Islander	2.7%	4.1%
Other	6.1%	3.0%
Percent with a disability	20.2%	16.9%
Percent with college or graduate degree	48.8%	36.7%
Average age	43	49
Percent 65 or over	9.8%	22.5%

Because individuals could check more than one racial category, the total will not add up to 100%.

Table 3: Income and employment household and individual characteristics, MA 2000

	Same-sex couples	Married couples
HOUSEHOLD CHARACTERISTICS		
Household income: MEAN	Men: \$97,621 Women: \$81,902	\$89,182
Household income: MEDIAN	Men: \$76,000 Women: \$67,404	\$70,900
Percent of couples with both employed	66.6%	54.7%
INDIVIDUAL CHARACTERISTICS		
Wage and salary income (MEAN)	Men: \$38,493 Women: \$33,057	Men: \$45,538 Women: \$20,211
Wage and salary income (MEDIAN)	Men: \$30,000 Women: \$27,000	Men: \$35,000 Women: \$12,000
Percent employed	77.6%	68.8%
Employment sector (if employed):		
Private sector	76.8%	73.7%
Public sector		
Federal	2.2%	2.4%
State	4.5%	3.7%
Local	5.9%	8.7%
Self-employed	10.4%	11.3%

lower incomes (\$67,404) than either two men or a married man and women together.

An interesting picture emerges when we break down household incomes into the wage and salary earnings of the two individuals in the couple. Those figures, also in Table 3, show that men with same-sex partners earn substantially less than married men — a difference in average income of roughly \$7,000. Regression analysis that takes into account differences in age, education and race reveals a 19 percent wage advantage for married men over men in same-sex couples.

The income difference is reversed for women. Women in same-sex couples earn substantially more than married women. Regression analysis indicates that this difference stems from the fact that women with same-sex partners on average work more weeks (41 weeks versus 32 for married women) and more hours per week than married women (35 hours per week versus 24). When we compare only women who work full time and take into account differences in age, education and race, the advantage for women with same-sex partners disappears.<sup>7</sup>

Same-sex couples with children

Despite common perceptions, one out of every four same-sex couples is raising children under 18 in their homes. Massachusetts has more than 4,200 same-sex couples with more than 8,000 children.<sup>8</sup>

Table 4 compares same-sex households with children to married couple households. Almost half (46 percent) of married couples have children, compared to one-third of lesbian couples and 15 percent of gay male couples. This table also reveals some similarity among parents — gay or straight. They are similar in age, and four out of five parents are employed.<sup>9</sup>

For all these similarities, same-sex parents have fewer economic resources than married couples. Despite the image of the affluent, urban, childless gay person, the picture of lesbian and gay parents (who have partners) presented here is quite different. Same-sex couples who have children are slightly less likely to own homes. Those homes are slightly more valuable, although the difference is not statistically significant. The average household incomes of same-sex couples with children are roughly \$8,400 lower than for married couples, even though employment rates are roughly the same.<sup>10</sup>

The potential economic effects of same-sex marriage in Massachusetts

The Census provides little data with which to predict the number of marriages that might occur now that same-sex couple can legally say, “I do.” In the first week that same-sex couples could marry, almost 2,500 couples applied for marriage licenses in 265 of the Common-

wealth’s 351 cities and town.<sup>11</sup> In Vermont, where a civil union law provides the rights and responsibilities of marriage, 44 percent of the state’s same-sex unmarried partner couples entered civil unions over the course of several years. Already, several large Massachusetts employers that offered domestic partnership benefits have announced that they will suspend them now that gays and lesbians can marry. Further compounding the situation is the possibility that gay marriage could be overturned if the state constitution is amended. Such a proposal is slated to be put in front of Massachusetts voters in November 2005. For these reasons, we think it is likely that the percentage who would marry in Massachusetts would be at least as high as in Vermont. Conservatively, therefore, we predict that roughly half of Massachusetts’s same-sex couples, or around 8,550 couples, might marry over the next few years.

Already, several large Massachusetts employers that offered domestic partnership benefits have announced that they will suspend them now that gays and lesbians can marry.

Looking at this increase in marriage from a statewide perspective shows that the impact on marriages overall would be quite small, however. Government statistics show that in 2002, the marriage rate per 1,000 residents was 5.7 in Massachusetts, much lower than the 2001 national

Table 4: Households with parents and children, MA 2000

Household characteristics	Same-sex couples	Married couples
Proportion with own children under 18 in household	All: 24.6% Women: 31.6% Men: 15.2%	45.9%
Average age of parents	39.3	39.8
% of parents employed	77.7%	79.9%
Percent homeowners	73.3%	79.6%
Property values (average)	\$271,646	\$265,616
Household income (average)	\$86,405	\$94,838
Household income (median)	\$67,400	\$74,900

*If we assume that 8,500 in-state couples will have weddings over the next 18 months and that these couples will conservatively spend only one-half of what the average couple spends on weddings, it would generate \$85 million to \$102 million of new spending in the state.*

rate of 8.4 marriages per 1,000 residents. So even if all 8,550 same-sex couples married in one year, the state's marriage rate would be 7.1, which is still lower than the national rate.<sup>12</sup>

While no state has any residency requirement (including Massachusetts), a 1913 Massachusetts law (originally intended to prevent interracial marriages), which precludes anyone from out of state from marrying in Massachusetts if they cannot legally marry in their own state, is currently being enforced. As a result, the number of same-sex couples who do not reside in Massachusetts but might get married here is very hard to predict. Currently, Massachusetts is the only state where gays and lesbians can legally marry, so if the 1913 law is rescinded, the number of wedding bells ringing in the state could be much larger. Two legal challenges to this law have been filed<sup>13</sup> and the attorneys general of Connecticut, New York and Rhode Island have indicated that same-sex marriages performed in Massachusetts would be recognized in those states. If 20 percent of all same-sex couples in those three states, and one percent of couples from every other state got married in Massachusetts, town and city clerks would be issuing an additional 16,600 same-sex marriage licenses.

While it is very hard to predict with much certainty exactly how much new money would be spent in the Commonwealth as a result of legalizing same-sex marriages, it is likely to be more than \$150 million over the next year or so.

According to the Web site, Online Massachusetts Wedding Guide, the average cost of a wedding in Massachusetts is between \$20,000 and \$24,000.<sup>14</sup> This includes the reception, flowers, rings, invitations, photography, videography and clothes for the wedding. Because most, if not all, of these goods and services are provided locally, virtually all wedding spending stays in the state and is not money that would have been spent otherwise. If we assume that 8,500 in-state couples will have weddings over the next 18 months and that these couples will conservatively spend only one-half of what the average couple spends on weddings, it would generate \$85 million to \$102 million of new spending in the state. If the 16,600 couples from out of state bring two friends, stay for four days (there is a three-day residency requirement to get married in Massachusetts) and spend what the average tourist does, an additional \$76.7 million would be infused into the Massachusetts economy.<sup>15</sup>

**Fiscal impact of marriages by same-sex couples**

Marriage affects a couple's status in many ways, and at least some of the rights and responsibilities of marriage will have an effect on state-provided benefits and on taxes and therefore on the state budget. Census data allow us to predict the impact of marriages by same-sex couples on income tax revenues, public assistance expenditures and state employee benefits. While marriage might have also have a fiscal impact in other areas, the Census data provide relatively direct measures only for these budget items. As noted above, if same-sex marriages increase general spending, the state will receive higher sales tax revenues as well.

**Impact on income tax revenues:** Unlike the federal income tax code, the Massachusetts income tax code is largely marriage neutral because the state applies flat tax rates on income. However, small differences exist between the total taxes two people pay when filing as two single individuals and when filing as a legally married couple. To predict the differences in tax payments for same-sex couples who marry, we used Census 2000 data on income and household structure to simulate taxes for each couple twice: first as two single individuals and then as a married couple.<sup>16</sup>

Overall, the effect on most couples is quite small. In the simulations, 43 percent of couples show no change at all. Taxes rise by an average of \$118 for 44 percent of couples and fall by an average of \$223 for 13 percent of couples.

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The couples paying higher taxes when filing as married generally had one low earner whose income was not taxed at all as a single person but is when married. Also, the rental deduction is capped at \$3,000 for married couples and \$3,000 for each single person, so those who pay high rents effectively get a smaller deduction when married. Couples with children are also more likely to see their taxes rise when married, because a legally unmarried parent can file as head of household, which provides a larger standard deduction.

The couples with lower taxes when married were effectively shifting some deductions and exemptions from one low earner to a higher earner. (As a single person, the low earner could not use the full deduction or exemption.).

If all of these couples were to marry, the state would see a slight rise in income tax revenues of about a half million dollars per year. As noted earlier, however, we expect roughly half of same-sex couples to marry, so the likely effect on the state's tax revenues will be quite small, or roughly \$250,000.

**Impact on public assistance benefits:** Eligibility for certain public assistance benefits, such as Temporary Aid to Needy Families, Medicaid and SSI is calculated based on the applicant's income and assets. If the applicant is legally married, the spouse's income and assets are also included in the eligibility calculation. As a result, some individuals in same-sex couples who now receive public assistance may no longer qualify for such benefits if and when they marry. Therefore, state expenditures on these benefits are likely to decrease once more couples marry.

It is difficult to estimate precisely the likely drop in state expenditures. According to the Census data for Massachusetts, 2.2 percent of people in same-sex couples received SSI in 1999 (compared with 1.3 percent of married people), for a total of \$5.4 million (2003 dollars) in SSI income to people in same-sex couples. If the same proportion of people in same-sex couples as in married couples remain eligible (1.3 percent) and half of those marry, then the spending on SSI would fall by \$1.6 million. The Massachusetts-funded supplement to SSI benefits accounted for 20.5 percent of SSI payments in 2000, so savings to the state would be about \$320,000 per year.<sup>17</sup>

According to the Census data for Massachusetts, 1.1 percent of people in same-sex couples received public assistance in 1999, compared to 0.6 percent of married people, for a total of \$1.3 million (2003 dollars). If all of these people receiving public assistance married, and roughly the same proportion of same-sex couples remained eligible for assistance as in married couples, then the total on public assistance would be cut approximately in half. If only half of couples on public assistance marry, then the savings to the state would be approximately \$390,000 per year.

The Census does not collect information on enrollment in Medicaid. However, a California study found that one

percent of Medicaid recipients were gay or lesbian people with partners,<sup>18</sup> suggesting that Massachusetts could be spending as much as \$27 million per year on people in same-sex couples, roughly half of which comes from the state budget.<sup>19</sup> If half of these couples marry, the state would save more than \$13 million per year. The extent of savings will depend on how many recipients of public assistance marry and on how many might retain eligibility for those benefits. Note that this estimate is roughly in line with a recent Congressional Budget Office report on the fiscal impact of same-sex marriage on the federal budget, which predicted \$300 million in Medicaid savings for all 50 states in 2014.<sup>20</sup>

These predictions are complicated by the fact that the Defense of Marriage Act might limit the state's ability to count a couple as married for purposes of assessing SSI eligibility. However, federal law will likely require the state to count a spouse's income and assets in assessing Medicaid eligibility.<sup>21</sup>

*Some individuals in same-sex couples who now receive public assistance may no longer qualify for such benefits if and when they marry. Therefore, state expenditures on these benefits are likely to decrease once more couples marry.*

Overall, if the state counts a same-sex spouse's income in SSI, TANF and Medicaid eligibility, the state is likely to save roughly \$14 million per year.

**State benefits for state employees who marry a same-sex partner:** State employees receive health insurance and pension benefits as a part of their compensation packages. Because spouses of employees are also covered in the employee health insurance plans, more marriages are likely to result in additional enrollees, raising state employment costs. While spouses are eligible for survivor benefits in the state pension system, which is a defined benefit program, the survivor benefits are paid for by lower payments to the retiree while alive, so additional marriages are not likely to have an impact on state pension costs.<sup>22</sup>

According to the Census, there are 1,309 households in Massachusetts in which one or more partners is a state employee. In 1,049 of those households, both partners are




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employed. Since 68 percent of employed people receive health insurance through an employer, approximately 336 people from these two-earner households will likely need health insurance through the partner who is a state employee.<sup>23</sup> Add to this number the 260 households that contain one state employee and a non-employed partner who could now become a spouse and a total of 596 households will have one state employee and one partner who will not have his or her own employer-provided health insurance.

If all 596 couples in that situation marry, the state will be covering almost 600 new health system enrollees. If half of those couples marry, as predicted earlier, there will be roughly 300 new enrollees. The additional cost per enrollee will be the state's additional contribution to insure the new spouse. The state health insurance system has two coverage tiers, single coverage and family coverage. For employees with a new spouse who already have family coverage, the state's contribution will not increase. In 23 percent of couples with one or more state workers, the household includes children who are likely to have pushed employees into family coverage already, leaving only 231 coverage level changes.<sup>24</sup>

If these remaining 231 new spouses bump the state employee from single to family coverage, the additional cost per spouse per year ranges from around \$4,800 for HMOs to \$6,660 for the most expensive fee-for-service plan.<sup>25</sup> Using the rough midpoint of \$5,730, the additional cost per year to the state will be approximately \$1.3 million, or 0.2 percent in additional spending on employee health insurance using FY2003 figures.

### **Conclusion: Much ado about "I Do"**

Same-sex couples are not all that different from their opposite-sex counterparts. They are somewhat younger, somewhat less likely to have children, more likely to be employed, and on average have similar economic profiles. While the SJC's decision to allow same-sex couples to marry has set off an important and heated political debate, the long-term aggregate economic impact to the Commonwealth will be relatively small but positive. The Commonwealth's status as the first state to legalize same-sex couples will set off new spending on weddings among the states' same-sex couples, causing a short-run gain. And Massachusetts could see a slight tourism boost. Further, marriage could end up saving the state money annually in reduced budget expenditures for a range of public assistance programs, with the greatest savings in Medicaid expenditures. 

#### **Data used for this report**

Unless otherwise noted, figures in this article are derived from the Public Use Micro Samples (PUMS) provided by the U.S. Census Bureau for our calculations (available at <http://www.census.gov/Press-Release/www/2003/PUMS.html>, and <http://www.census.gov/Press-Release/www/2003/PUMS5.html>). The Census Bureau provides two random samples from the long form data, one made up of 1% of all households and one with 5% of households. We combined the two samples to increase the sample size available. The 1% and 5% PUMS contain data on 396 and 1,856 people in same-sex unmarried partner couples, respectively, and 24,916 and 123,184 married individuals.

The Census Bureau also provides household weights and person weights that allow us to make projections from the samples to create estimates for the whole population of couples in Massachusetts. We adjusted these weights to account for the fact that we combined the two samples.

<sup>1</sup> Tavia Simmons and Martin O'Connell, "Married-Couple and Unmarried-Partner Households," *Census 2000 Special Reports*, CENSR-5, U.S. Department of Commerce, U.S. Census Bureau Feb. 2003.

<sup>2</sup> County totals are from the American FactFinder at [www.census.gov](http://www.census.gov).

<sup>3</sup> We defined the Boston metropolitan area as being made up of the census "Super-PUMA" areas 25050, 25080, 25090, and 25100. This area includes all of Suffolk County and the parts of Norfolk and Middlesex Counties that are closest to Boston.

<sup>4</sup> To get more finely detailed information on geographic areas, we used only the 5% PUMS for these calculations.

<sup>5</sup> The differences in home ownership rates and recent movers might be partially related to the younger ages of people in same-sex couples.

<sup>6</sup> In this case, a disability is defined by reporting a "long-lasting condition" such as blindness or deafness, or a condition that limits basic physical or life activities.

<sup>7</sup> A small difference remains, but it is not statistically significant.

<sup>8</sup> Simmons and O'Connell, as well as our calculations. This 8,003 figure is the number of "own children" reported for a householder who has a same-sex unmarried partner. This is undoubtedly a low estimate, since a partner's children might be counted only in an alternative census variable, "persons under 18 living in the household." Using that broader measure shows that 8859 children are actually living in households that contain a same-sex couple. That higher figure would also include any foster children living in the household.

<sup>9</sup> The differences in age and employment rates between parents in same-sex couples and married parents are not statistically significant

<sup>10</sup> Both the household incomes for male couples (average \$77,958) and female couples (average \$89,462) are lower than the household incomes of married couples.

<sup>11</sup> Christine MacDonald and Bill Dedman, “About 2,500 gay couples sought licenses in first week,” *Boston Globe*, June 17, 2004. The Globe notes that at least 164 licenses were to out-of-state couples.

<sup>12</sup> Marriage statistics for Massachusetts are from the National Center for Health Statistics, [http://www.cdc.gov/nchs/fastats/pdf/51\\_10\\_12\\_t03.pdf](http://www.cdc.gov/nchs/fastats/pdf/51_10_12_t03.pdf), and the state population figure is from <http://quickfacts.census.gov/qfd/states/25000.html>, both accessed 1/24/04.

<sup>13</sup> Yvonne Abraham, “Two lawsuits to challenge 1913 law,” *Boston Globe*, June 17, 2004.

<sup>14</sup> <http://www.maweddingguide.com/planning/costs/weddingcosts.htm>.

<sup>15</sup> The Massachusetts Office of Travel and Tourism website claims that 27.2 million out-of-state visitors spent \$11.2 billion in the state ([http://www.mass-vacation.com/jsp/static\\_in/researchwelcome.jsp?org\\_id=empty&cat=95&g=&region=empty](http://www.mass-vacation.com/jsp/static_in/researchwelcome.jsp?org_id=empty&cat=95&g=&region=empty)), for an average of \$408 per person trip.

<sup>16</sup> We made several assumptions to simplify the tax simulations: (1) All take maximum MA interest credit; (2) All children are under 12 (to qualify for max deductions); (3) We inflated incomes and rents to 2003 dollars (10.4% increase in CPI-U from 1999-2003, <http://www.bls.gov/cpi/home.htm>, accessed 4/18/04); (4) We included the exemption for filers aged 65 or older; (5) If the householder had “own children” in the household, the householder files as head of household and the partner as single; (6) Each renter pays half of the household rent; (7) There were no additional deductions or income; (8) There was no change in the EITC when married since the Defense of Marriage Act states that only different-sex couples may be considered married for purposes of federal law.

<sup>17</sup> U.S. Department of Health and Human Services, *Program Data: Supplemental Security Income*, 2002 Indicators of Welfare Dependence, app. A, <http://www.aspe.hhs.gov/hsp/indicators02/appa-ssi.htm#SSI>, accessed June 22, 2004.

<sup>18</sup> M. V. Lee Badgett and Bradley Sears, “Equal Rights, Fiscal Responsibility: The Impact of AB205 on California’s Budget,” Williams Project of UCLA School of Law, and Institute for Gay and Lesbian Strategic Studies, May 2003.

<sup>19</sup> Data for Massachusetts from Centers for Medicare and Medicaid Services, “MSIS Statistical Reports for Federal Fiscal Years 1999, 2000 and 2001,” <http://www.cms.hhs.gov/medicaid/msis/msis99sr.asp>. State share calculated from: Centers for Medicare and Medicaid Services, Data Compendium, (Sept. 2002), <http://cms.hhs.gov/researchers/pubs/datacompendium/2002/02p72.pdf>.

<sup>20</sup> Congressional Budget Office, “The Potential Budgetary Impact of Recognizing Same-sex Marriages,” June 21, 2004, p. 9.

<sup>21</sup> Federal law requires states to “take all reasonable measures to ascertain the legal liability of third parties to pay for care and services available under” Medicaid and to seek reimbursement from third parties in cases “where such legal liability is found to exist.” 42 U.S.C. 1396a. For a longer discussion of the impact of DOMA on states’ ability to count a same-sex spouse’s income and assets, see M. V. Lee Badgett “Supporting Families, Saving Funds: A Fiscal Analysis of New Jersey’s Family Equality Act,” Williams Project, UCLA Law School, and Institute for Gay and Lesbian Strategic Studies, November 2003.

<sup>22</sup> This joint-and-survivor option, known as Option C, is the only pension option limited to a spouse (or certain other legal family members). Option B allows for a lump sum to be paid a named beneficiary, who does not have to be a spouse.

<sup>23</sup> Coverage of employees comes from The Kaiser Family Foundation and Health Research and Educational Trust, *2003 Employer Health Benefits Survey*, September 2003, at Exhibit 3.1, at <http://www.kff.org/content/2003/3369/> (accessed Nov. 22, 2003).

<sup>24</sup> The state’s contribution depends on the health care plan, when the employee was hired, and, for employees hired on or before June 30, 2003, their salary.

<sup>25</sup> Most active employees are enrolled in HMOs, according to the Group Insurance Commission Fiscal Year 2003 Annual Report.

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