

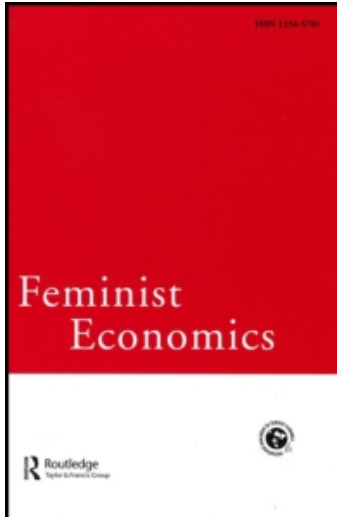
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## Women's Sexual Orientation and Labor Market Outcomes in Greece

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# WOMEN'S SEXUAL ORIENTATION AND LABOR MARKET OUTCOMES IN GREECE

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*Nick Drydakis*

## ABSTRACT

This study is the first to use a field experiment to provide information on the relationship between women being lesbian and their hiring prospects in Greece. Data for 2007–8 support previous findings (in Canada and Austria) indicating that lesbians face hiring discrimination. The study finds that the estimated probability of lesbian applicants receiving an invitation for an interview is 27.7 percent lower than that for heterosexual women applicants. More importantly, the study shows that entry wage differentials assigned are inconsistent with the ascendant empirical claims (from the United States, the Netherlands, and the United Kingdom) that lesbians have higher market earnings. The study concludes that the negative effect of lesbian sexual orientation on wage outcomes in Greece is 6.1 percent. Given that legal actions in Greece have the potential to affect sexual-orientation minorities, it is important to understand the relationships between sexual orientation and the labor market.

## KEYWORDS

Field experiment, sexual orientation, hiring discrimination, wage discrimination

JEL Codes: C93, J7, J82

## INTRODUCTION

The hostile social and public policy climate in Greece is an important factor in understanding the lack of visibility of gays and lesbians and their issues in Greek society. Supporters of gay rights have typically framed their arguments using notions of justice and equal treatment. On the other hand, opponents rely on tradition and religious teachings to justify their active opposition to the enactment of current and forthcoming European policies designed to protect gay people from unfair discrimination (Evangelia Vlami 2007; Eirini Petropoulou and Spyridoula Skoutari 2008).<sup>1</sup>

Historical, sociological, and psychological research demonstrates the existence of *sexual stigma* (the shared knowledge of society's negative regard for any behavior, identity, relationship, or community that is not heterosexual), *heterosexism* (the cultural ideology that perpetuates sexual

stigma), and *sexual prejudice* (negative attitudes based on sexual orientation) and the effects that such attitudes have on the everyday experiences of gays and lesbians (Gregory M. Herek 2004). Economists, on the other hand, have only recently explored the relationship between labor market outcomes and sexual orientation. To determine whether gay and lesbian employees face discrimination,<sup>2</sup> it is useful to compare the earnings of gay and lesbian employees with those of heterosexual employees. Wage regressions for the United States, the Netherlands, and the United Kingdom have documented lower incomes for gay men than heterosexual men, but have repeatedly shown higher incomes for lesbians than heterosexual women (Nathan Berg and Donald Lien 2002; Erik Plug and Peter Berkhout 2004; G. Reza Arabsheibani, Alan Marin, and Jonathan Wadsworth 2005; Christopher S. Carpenter 2007).

In Greece, no earnings data samples include the sexual orientation of individuals, which precludes investigation of this discrimination hypothesis. Empirical research examining where wage differentials exist, although highly interesting, cannot provide information about labor market discrimination against *equally* productive lesbian employees in the formal labor market (see Doris Weichselbaumer's analysis [2004]). The main criticism of this method is that, as long as not all other relevant variables have been identified, it provides no conclusive proof of discrimination (Frank Bovenkerk 1992). More importantly, the disclosure or labeling of a lesbian employee's sexual orientation is necessary; otherwise, the practice of hiding one's sexual preference is likely to reduce the measurable impact of discriminatory behavior. Hence, an accurately measured signal of sexual orientation is crucial for credibly testing the discrimination hypothesis.

This study assesses differential treatment of sexual orientation minorities through a different route. I gathered representative data on the hiring stage for lesbians using an experimental technique. The goal is to produce pairs of testers who submit a written job application to the same firm. These fictitious applicants should be identical in all relevant characteristics so that any systematic difference in treatment within a pair can only be attributed to the effects of sexual orientation. Following the methodology presented in Barry D. Adam (1981) and Doris Weichselbaumer (2003), a lesbian applicant's sexual orientation was disclosed through a reference in her curriculum vitae to work as a volunteer for a gay and lesbian association. Since discrimination theories are only valid if an employer believes that an employee is a lesbian, this study focuses on a group of people likely to be viewed as lesbian.

One crucial benefit of the current methodology is that it offers a chance to examine an important aspect of discrimination in hiring that has been largely inaccessible to social scientists. Because of the absence of standardized, economy-wide data on hiring, there is much less evidence on discrimination in this important dimension of the labor market. Since discrimination in

hiring can undoubtedly affect the magnitude of discrimination, most empirical studies face data limitations when focusing on differences in pay. Such estimates of wage discrimination will almost certainly understate the full effects of sexual orientation discrimination by leaving out the fact that many applicants are barred from even earning a wage.

I also examined whether sexual orientation affected wages at the onset of paid work. In cases of tentative hiring, I extended this method by gathering data concerning informal wage offers on the part of employers. This was achieved through telephone call-backs and examination of applicants' portfolios. This additional dataset enabled me to record discriminatory attitudes across sexual orientations in the ensuing steps of the hiring process. Traditional measures of wage discrimination have relied upon the analysis of observed wage differentials. However, Cordelia W. Reimers (1983) has pointed out that this analysis should focus on the wage rate offered to individuals, regardless of whether they actually work in the wage and salary sector, if labor market discrimination is to be measured properly. The estimation of the wage differential in this paper accounted for the employer's knowledge of the employee's orientation. I examined the presence of discriminatory treatment in cases where the evidence seemed strongest, namely the various penalties for women who are labeled as lesbian.

The data were gathered between September 2007 and July 2008 in Athens as part of the Athens Area Study (AAS) conducted by the University of Crete. The 2007 AAS is one component of the multi-city study of the Scientific Center for the Study of Discrimination (SCSD). The results show that women who are labeled as lesbian have a statistically significant lower chance of employment. Similarly, sexual orientation does have a statistically significant negative impact on the wages offered. This is inconsistent with other US empirical studies (Dan A. Black, Hoda R. Makar, Seth G. Sanders, and Lowell J. Taylor 2003), which have shown that lesbians have higher market earnings than heterosexual women. The evidence presented here will suggest that discriminatory patterns continue at alarming levels, and it will suggest the need to examine more closely the effects of sexual orientation differentials and labor market characteristics on employment for lesbian employees in Greece. Field experiments on discrimination have become particularly relevant in view of the European Union's decision in its Employment Equality Directive 2000/78/EC to require member states to enact legislation ensuring equality of opportunity, and prohibiting discrimination based on sexual orientation. As an experimental scientist, I wish to explain real-world issues and to provide knowledge and insight that is relevant for improving our understanding of the world and to help solve the problems faced by individuals. The current study extends correspondent testing (by gathering wage data) in a way that could motivate researchers worldwide to conduct similar surveys. As efforts to address sexual-orientation

discrimination grow, so does the need for a set of standard discrimination indicators that have been tested and validated.

### LITERATURE REVIEW

To date, evidence of employment discrimination largely comes from personal accounts and from data collected in studies on the socioeconomic status of lesbians. In typical, brief discussions of the problem, economic researchers from the UK and the US recount instances of unequal treatment in order to assert that employment discrimination is common (Fiona Colgan, Chris Creegan, Aidan McKearney, and Tessa Wright 2006; M. V. Lee Badgett, Holning Lau, Brad Sears, and Deborah Ho 2007). These studies involve employers' use of institutionalized procedures to restrict officially conferred work rewards, such as promotions, salary increases, or increased job responsibilities. Lesbians who are subject to discrimination and harassment at work describe a variety of experiences, ranging from discomfort and signs of embarrassment on the part of managers and colleagues to exclusion by colleagues and insults. Nevertheless, hiring and firing tactics pose the biggest problem.

Although field experiments can substantially contribute to our perception of other factors affecting the employment opportunities of minority groups, only two experiments have tested the effect of sexual orientation on the hiring process of lesbians. Adam (1981) conducted a field experiment to test discrimination based on sexual orientation and found a reduction of 11 percent in job offer rates for lesbians in Toronto, Canada. Twenty-two years later, Weichselbaumer (2003) used a similar technique to investigate whether the Austrian labor market discriminated against lesbian women. She found that the indication of a lesbian identity reduced the offer rate by 12–13 percent. To date, field experiments have not been designed to produce firm conclusions about the nature of discrimination. However, experiments may illustrate several causes of discrimination (Peter A. Riach and Judith Rich 2002). The findings of these tests are consistent with the notion that a majority of the population has a tendency to discriminate, motivating employers to discriminate against the non-majority population (Gary S. Becker 1957). Discrimination can also occur if employers use group information when evaluating applicants (Kenneth Joseph Arrow 1973).

Although data limitations remain a major obstacle to research on the lesbian and gay population, a number of earnings data sources can be of use, giving rise to a nascent literature. These studies use multivariate regressions to assess the effects of sexual orientation on earnings after controlling for productivity factors. To summarize, there is stronger evidence of discrimination against gay men than against lesbians. In this study, we make no attempt to review the existing literature of the earning differentials of gay men. Badgett et al. (2007) in the US and Nick Drydak

(2009) in Greece discuss many relevant issues concerning discrimination on the basis of sexual orientation, in general.

How sexual orientation affects lesbians' earning differentials is an important empirical question. In the United States, M. V. Lee Badgett (1995), using data from the 1989–91 General Social Survey (GSS), found that lesbians earned 35 percent less than heterosexual women. However, the coefficient was statistically insignificant. In subsequent work, M. V. Lee Badgett (2001) found that lesbians earn more than heterosexual women, but this coefficient was again statistically insignificant. Using 1991–6 US GSS data, Nathan Berg and Donald Lien (2002) found that nonheterosexual women earned 30 percent more than heterosexual women, a statistically significant difference. Suzanne Heller Clain and Karen Leppel (2001) used data from the 1990 US Census to find that lesbians earned more than heterosexual women. Black et al. (2003) employed US GSS data from 1989–96 and found earnings to be between 20 and 34 percent higher for lesbian women than for heterosexual women. The same patterns are found in Berg and Lien (2002) and John M. Blandford (2003). Using data from the 2000 US Census, Nasser Daneshvary, C. Jeffrey Waddoups, and Bradley S. Wimmer (2008) found a lesbian earnings premium of approximately 10 percent for women without a bachelor's degree. However, a premium was almost nonexistent for lesbian women with higher levels of education. Using data from the 2000 US Census, Lisa K. Jepsen (2007) found that lesbians earn more than their heterosexual counterparts. Bruce Elmslie and Edinaldo Tebaldi (2007) looked at the 2004 US Current Population Survey and found no evidence of discrimination against lesbians in terms of earnings in the labor market.

Christopher S. Carpenter (2005) used data from the California Health Interview Survey and found statistically insignificant negative earnings differentials for lesbians compared to heterosexual women in California. Using data from the Labor Force Survey between 2001 and 2005 in the UK, Arabsheibani, Marin, and Wadsworth (2005) found that lesbians earned about 9 percent more than heterosexual women. In the Netherlands, Plug and Berkhout (2004) used data from an annual survey of college-educated individuals between 2003 and 2006. They found that similarly qualified lesbian employees earned about 3 percent more than their heterosexual female co-employees. Ali M. Ahmed and Mats Hammarstedt (2010) used data from the Louise dataset for 2003 at Statistics Sweden and found no statistically significant earnings differential between lesbians and heterosexual women.

The general trend of the studies suggests that lesbian employees may earn more than heterosexual women in the countries studied. This result seems inconsistent with the notion that employers discriminate based on sexual orientation, and is particularly curious given the fact that lesbians do not enjoy higher societal approval than heterosexual women. However, the

pattern is consistent with the theories of human capital accumulation and specialization within the household (Gary S. Becker 1965, 1991; Lawrence A. Kurdek 1993; Black et al. 2003). Young people make human capital investments based on expectations of forming traditional households in which the husband and wife will respectively specialize in market and non-market production. The Becker (1965) model suggests that, in traditional households, men will devote more time and effort to market production, while women will focus on household production. Lesbians may be inclined to realize early in life that they will not marry into a traditional household, and thus invest more heavily in market-oriented human capital. They will be more likely to undertake a series of career-oriented decisions, such as staying in school longer, choosing a major that is likely to lead to a higher-paying job, and working longer hours, than if they adopted traditional gender-based household specialization roles.

Jane Waldfogel (1998) suggests that a peripheral explanation for the lesbian earnings premium in the US may be that women with children earn less than women without children. Lesbians are less likely to have children than married women, so it makes sense that they may earn more. As Jepsen (2007) and Elmslie and Tebaldi (2007) claim, this factor makes US employers more interested in promoting lesbians, who are less likely to move in and out of the labor market, creating wage inequality. It seems that labor markets financially compensate women who invest their lives in their careers. This may be true of lesbians.

Moreover, Clain and Leppel (2001) suggest that US employers, colleagues, and consumers may prefer the personality characteristics of men, and that lesbians exhibit more of those characteristics than do heterosexual women. Bernard F. Reiss, Jeanne Safer, and William Yotive (1976) find US lesbians to be more “dominant, autonomous, assertive and detached,” like the stereotypical man. Thus, the higher earnings among lesbians may reflect discrimination in favor of their traits rather than against their traits (Jepsen 2007). Finally, US studies suggest that lesbians who are open about their sexual orientation may respond to the threat of discrimination by working harder. Many believe that they may overcome the stigma of their sexual orientation if they are sufficiently productive. Thus, the stigma may be a productivity advantage (James D. Woods 1993; Clain and Leppel 2001).

## DESIGN OF THE EXPERIMENT

### Correspondence testing

The correspondence test is named for its simulation of the communication between job applicants and employers. It involves sending carefully matched pairs of written job applications in response to advertised

vacancies to test for hiring discrimination in labor at the initial stage of interview selection. The correspondence test is a social experiment in a real-life situation with the potential to provide statistical data on discriminatory treatments. The methodology highlights the circumstances of unequal treatment and provides a powerful means of isolating causal mechanisms.

Following the methodology in Riach and Rich (2002), the correspondence testing method matches at least two individuals on all relevant characteristics except one – the one expected to lead to discrimination. The pseudo-seekers are typically matched on attributes such as age, education, job experience, and marital status. Correspondence test analysts assume that they know which characteristics are relevant to employers and when such characteristics are sufficiently close to make majority and minority applicants indistinguishable. The goal is to produce pairs of testers who are identical in all relevant characteristics. This way, any systematic difference in treatment within each pair can be attributed to the effects of the test characteristic alone. As a result, correspondence testing ensures that the strict equivalence between testers is free from any motivational complication and enables objective documentation of the experiment. Employers' reactions are typically measured by written responses or call-backs.

### **Lesbian labeling**

Psychological and sociological studies suggest that lesbians try to avoid discrimination by hiding their sexual orientation at work, even though they may be openly lesbians outside the labor market (Martin P. Levine and Robin Leonard 1984).<sup>3</sup> Fears about career progression, the nonexistence of senior gay staff, previous negative experiences of discrimination and harassment, a desire for privacy, and bullying of co-employees may prevent lesbians from coming out (Colgan et al. 2006). In brief, Badgett (1995) suggests that the disclosure of sexual orientation is a decision involving a trade-off between openness and the potential for lost income.

The potential for discriminatory treatment due to sexual orientation depends on employers' ability to distinguish lesbians from other women. Even if employers wish to discriminate against lesbian employees, there are few ways of judging this aspect of individuals' lives. In the market, an employer could become aware of an employee's sexual orientation if the employee is open about sexuality at work or if she leads an openly lesbian lifestyle. In my study, as in Adam (1981) and Weichselbaumer (2003), I disclosed the lesbian applicants' sexual orientations by the following line in the personal information part of the resumé: "Member volunteer in the

Athenian Homosexual Association (from 2001 to 2005).” No explicit information on sexual orientation was given by the heterosexual half of the applicants. The labeling suggests that the lesbian applicant successfully communicates her sexual orientation. Gregory M. Herek (1990) explains that homosexuality operates through a dual process of invisibility and attack. It usually remains culturally invisible; when people who engage in homosexual behavior or who are identified as homosexual become visible, they may become subject to societal attacks.

Researchers acknowledge that a major concern with correspondence testing for sexual orientation is that the interaction of volunteerism or activism and sexual orientation may be important. Generally speaking, activists in any field could be subjected to discrimination on the basis of political opinions and beliefs. It may also be possible that they receive preferential treatment. The two scenarios described, positive and negative discrimination based on political beliefs, remain controversial given the absence of empirical evaluation. Therefore in this study the heterosexual women’s curriculum vitae also mentioned past volunteerism in an environmental association: “Volunteer in the Olympus: Environmental Union from 1999–2003.” The logic is that similarly to volunteering in a gay and lesbian organization, being a member of this association may positively or negatively affect employment possibilities and wages. Crucially, however, both documents indicated that those activities had ended, in order to minimize the volunteerism/activism impact. In doing so, I also control for the chance that volunteerism/activism may have created a conflict in the applicants’ present duties.

### **Methodology and application structure**

I structured the current experiment in two stages. In the first stage, I fabricated two imaginary employees who are equal in human capital. I had the two apply for the same job by sending application forms using different fax devices.<sup>4</sup> Each application included a cover letter and curriculum vitae that complied with Greek standards. In Greece, most jobs require a short cover letter that should describe an applicant’s desire for the position. I applied to vacancies that demanded 8 hours a day and 5 days a week. The position specified female employment. I identified these vacancies through a random sample of advertisements appearing on newspaper websites,<sup>5</sup> and I concentrated on low-qualification jobs because applicants for such positions are expected to face greater discrimination risk (Special Eurobarometer 2007). I investigated different occupations with vacancies that might demonstrate a variation in discriminatory behavior. The occupations covered a large spectrum of employment environments: office jobs, industry jobs, café and restaurant services, and shop sales. Other occupations were excluded – for example, many low-qualified job

vacancies in agriculture, construction, cleaning, and delivery that only had telephone numbers available for contact.

I matched the qualifications and presentation styles of the two fictitious applicants as closely as possible. They were identical in all employment-relevant characteristics except sexual orientation (see Appendix Table A). I designed each application to convey the same level and type of experience that might make an applicant attractive. I gave each of the fictitious applicants/testers a distinctive first and last Greek name, a mobile telephone number, and a postal address. I chose the addresses in order to indicate the same social class. The applicants were 30 years old and unmarried, and had the same level of schooling and job experience. Both applicants had finished high school approximately 12 years before and had 11 years of employment experience in positions similar to the one for which they were applying. Moreover, in order to avoid detection, I placed the candidates' high schools and previous workplaces in different areas within Athens. In addition, I included items on the résumés to signal that the applicants had similar hobbies (cinema and music) and personal characteristics (amiable, sociable, and productive).<sup>6</sup>

I faxed the application forms simultaneously and within one day of the advertisement's first appearance. If the firms were interested in any of the applicants, they could be reached either through postal addresses<sup>7</sup> or by telephone.<sup>8</sup> For obvious reasons, the styles of the cover letters and curriculum vitae were different for each applicant. Pre-tests ensured that neither of the two cover letters and résumés elicited preferences. Nevertheless, I allocated the different styles equally between the heterosexual and lesbian applicants in order to control for the possibility that the style of a cover letter and curriculum vitae could influence employers' response. For the same reason, I sent applications to each vacancy in a different order: in half of the cases, I sent the heterosexual woman's application first. I adjusted all experimental controls in the regression stage.

Situation testing usually includes correspondence testing. However, in the current study, I extended the application of the experiment by gathering data concerning informal wage offers by employers in the case of hiring. In the second stage, whenever employers called to arrange appointments with the applicants, the two testers asked informal questions regarding monthly wage offers. In order to verify that employers were calling, each tester raised the following questions: "Am I speaking to the employer?" or "Are you the employer?" When we did not have the chance to converse with employers, we did not raise any question regarding monthly wages. This question was reasonable because the status of the vacancies and applicants with low human-capital qualifications allowed for straightforward interactions. For low-status vacancies, employers

offer fixed wages as robust bargaining tools, and complicated arrangements based on human-capital criteria are infrequent.

A robust screening process ensured that I had the proper testers. In order to verify that the testers were alike regarding all characteristics, such as articulation, age, and manner of speaking, and mode of responding to employers' questions or requests for clarifications, I conducted a pre-test that included a recording of the testers' rehearsed responses and asked numerous individuals to assess the testers regarding the relevant issues. Most of the screeners were students in a graduate degree program, while others were members of nongovernmental organizations. The true experiment began after unanimity had been reached. However, to control for the effects of lacking internal motivation, I alternated the tester's role every month. Hence, until the end of the experiment, the two testers performed each role (lesbian or heterosexual). I designed the experiment to minimize the inciting of repulsion or endearment by the testers' words or behavior. Repulsion or endearment may have led to actions having little or nothing to do with wage discrimination. I effectively included the tester's effect in the regression stage.

Finally, I assumed that the likelihood of employer wage discrimination against lesbians may vary with characteristics such as the employer's gender. It is of interest to ascertain whether male and female employers discriminate against lesbians in similar ways. To my knowledge, no comparable studies examine this issue. In an attempt to assess the role of these characteristics, the testers recorded the gender information when they received call-backs from employers.

### DESCRIPTIVE STATISTICS

Following the format of Neil McIntosh and David Smith's (1974) study of racial discrimination in the UK, which has since been adopted in field experiments across Europe, Table 1 displays the outcome of my study. The last row shows the aggregated results. The second column shows that applications were sent to 1,057 job openings. The third column shows that, in 524 cases, neither individual was invited to interview. In the remaining 533 cases (column 4), at least one applicant was invited. In 220 cases (column 5), both were invited (equal treatment). In 301 cases (column 6), only the heterosexual woman was invited; and in twelve cases (column 7), only the lesbian woman was invited.

In this context, the most common way to measure the overall incidence of discrimination is to count the number of times a single type of firm behavior treated a minority applicant less favorably than a majority applicant. I then subtract the number of times a majority applicant was treated less favorably. The result is a net measure of the number of discriminatory acts a minority applicant can expect to encounter per application (see Riach and Rich

[2002]). Hence, *net discrimination* against the lesbian applicant can be interpreted from the last two columns as having occurred in 289 cases, or 54.2 percent of cases. As James J. Heckman and Peter Siegelman (1993) suggest, the statistical significance of any net discrimination finding is determined by application of the chi-squared test. The high value of the test reveals that sexual orientation and discrimination are highly correlated.

Although I designed the two fictitious applicants to appear similar, they looked different to employers. These findings provide statistically significant evidence that, of the two identical applicants engaging in identical job searches, the lesbian applicant was offered fewer call-backs. The findings reveal statistically significant differences for the two pairs across all sectors, suggesting that the discrimination was widespread. The lesbian applicant was always at a disadvantage.

Interestingly, the occupations investigated allowed for further classification in accordance with the nature of the research. A key issue that arises when low-qualified lesbian applicants seek employment is the visibility and invisibility of equality, tolerance, and diversity in relation to their sexual orientation in different sectors. Some lesbians might choose occupations in which workplace disclosure of sexual orientation is least damaging (Colgan et al. 2006).<sup>9</sup> Café and restaurant services and sales vacancies are perceived as gay-friendly jobs, while office vacancies are perceived as the jobs with the highest status, and industry vacancies are perceived as masculine jobs. Thus, this is another dimension to take into account. The estimates suggest that lesbian applicants in Greece do not seem to enjoy an access premium in gay-friendly occupations. The net discrimination factor reached statistically significant levels in restaurant and café vacancies (46.6 percent), as well as in shop sales, where it reached the highest value (64.0 percent). Although lesbians may want to segregate in gay-friendly sectors, the results do not support that they succeed in this. Furthermore, in industry, where jobs are considered *masculine*, the theoretical discussion suggests that discrimination against lesbians is less severe (Reiss, Safer, and Yotive 1976). However, in this case a statistically significant discrimination factor was assigned (55.5 percent), reaching approximately the same level as in office jobs (52.0 percent). Hence, no conclusive argument can be made supporting the thesis that lesbians face less discrimination in “masculine” jobs. Generally speaking, Greek firms seemed to be reluctant to interact with lesbian applicants.<sup>10</sup>

An important aspect of labor market success is the wait time or hazard of getting a job offer. The methodology enabled me to measure whether the lesbian applicants who did receive call-backs were likely to wait longer than the heterosexual applicants for a call. As the descriptive statistics in Table 2 suggest, the person doing the hiring was more likely to call the lesbian applicant after talking to the heterosexual applicant. The lesbian applicant had to wait a half-day longer for a call-back than the heterosexual applicant

## ARTICLES

Table 1 Aggregate correspondence test results

	<i>Jobs No.</i>	<i>Neither invited No.</i>	<i>At least one invited (1) No.</i>	<i>Equal treatment No.</i>	<i>Discrimination against lesbian woman (2) No.</i>	<i>Discrimination against heterosexual woman (3) No.</i>	<i>Net discrimination (2)-(3) (2) (3)/(1) No. %</i>	<i>X<sup>2</sup> test</i>
Office jobs	276	153	123	49	69	5	64	55.35***
Industries	311	176	135	56	77	2	75	71.17***
Restaurant and café services	256	106	150	74	73	3	70	64.47***
Shop sales	214	89	125	41	82	2	80	76.16***
Total	1057	524	533	220	301	12	289	50.04***

*Notes:* The null hypothesis is that "Both individuals are treated unfavorably equally often"; that is, (2) = (3).  
\*\*\* denotes statistical significance at the 1 percent level.

## WOMEN'S SEXUAL ORIENTATION

*Table 2* Days until response

	<i>Heterosexual women</i>	<i>Lesbian women</i>
Office jobs	8.635 (118)	9.425 (54)
Industrial jobs	7.838 (133)	7.913 (58)
Restaurant and café services	8.646 (147)	9.051 (77)
Shop sales	7.154 (123)	8.093 (43)
Average	8.086 (521)	8.678 (232)

*Note:* The number of observations is in parentheses.

(8.08 days for the heterosexual applicant versus 8.67 days for the lesbian applicant). Interestingly, this pattern is revealed for all types of occupations. I claim that Greek firms might perceive the heterosexual applicant as the “first best” and want to communicate with her first.

Table 3 presents the mean wage offers on the part of employers. Panel A presents the entire sample. The samples used in this study consist of 262 observations for heterosexual women and 145 observations for lesbian women.<sup>11</sup> While the lesbians were similar to their heterosexual counterparts in age, education level, and employment experience, the data suggest that heterosexual applicants were offered monthly wages that were, on average, statistically significant higher, than lesbian applicants (€693.6 versus €652.0). On this basis, it seems that sexual orientation does have an effect on observable outcomes. The results are particularly interesting for shop sales. Wage discrimination reaches its highest level in shop sales, which is conditional upon the lower call-back probability of the lesbian women relative to the heterosexual women.

For completeness, I also report sample means separately for men and women employers in Table 3, Panels B and C. The sample consists of 350 men and 57 women employers. As we can observe in all occupations, women employers offer higher wages than men employers, to both heterosexual and lesbian applicants (€712.0 versus €691.3 and €674.2 versus €646.7, respectively). On the other hand, both men and women employers offered higher wages to heterosexual applicants (€691.3 versus €646.7 and €712.0 versus €674.2, respectively). Discrimination based on sexual orientation appears to play a critical role in shaping the experience of lesbian women in the Athenian labor market. Interestingly, however, men employers are more likely to practice slightly higher wage discrimination against lesbian applicants than are women employers.

## THE MODEL

The most common econometric approach for capturing the effects of discrimination is to ask if people who are similar in all observable and

Table 3 Mean wage offers

	Panel A: Entire sample		Panel B: Male employers		Panel C: Female employers	
	Heterosexual women (€)	Lesbian women (€)	Heterosexual women (€)	Lesbian women (€)	Heterosexual women (€)	Lesbian women (€)
Office jobs	740.44 (68)	703.42 (35)	737.61 (63)	700.34 (29)	776.00 (5)	718.33 (6)
Industrial jobs	715.00 (52)	662.85 (35)	710.86 (46)	658.62 (29)	746.66 (6)	683.33 (6)
Restaurant and café services	652.97 (84)	622.30 (52)	647.77 (72)	611.95 (41)	684.16 (12)	660.90 (11)
Shop sales	678.62 (58)	624.78 (23)	678.46 (52)	620.55 (18)	680.00 (6)	640.00 (5)
Average	693.66 (262)	652.06 (145)	691.37 (233)	646.75 (117)	712.06 (29)	674.28 (28)

Note: The number of observations is in parentheses.

economically relevant ways have similar labor market outcomes. I estimated the probability of an applicant receiving a job interview using a probit model:

$$\begin{aligned}
 Y_i^*(\text{call-back}) = & \beta_0 + \beta_1 \text{Lesbian} + \beta_2 \text{Cover letter's type} + \beta_3 \text{CV's type} \\
 & + \beta_4 \text{Application's sending order} + \beta_5 \text{Occupation dummies} \\
 & + \beta_6 \text{Lesbian} * \text{Occupation dummies} \\
 & + \beta_7 \text{common time effects} + e
 \end{aligned} \tag{1}$$

where  $Y^*$  is the latent regression explaining the probability of receiving a job interview;  $\beta_0$  is a constant; *Lesbian*, equals one if the respondent was lesbian (0 in all other cases);  $e$  is the disturbance; and  $i$  refers to the individual.

I estimated equation (1) simultaneously for all occupations for each type of applicant and report marginal effects. In correspondence testing all applicants must be matched in all characteristics other than sexual orientation (see David Neumark with Roy J. Bank and Kyle D. Van Nort [1996], Marianne Bertrand and Sendhil Mullainathan [2004], and Drydakis [2009]). Since I controlled for all characteristics except sexual orientation for the two applicants, the latter was not expected to correlate with the error term. If  $\beta_1 = 0$ , the lesbian and heterosexual applicants had the same probability of receiving a job interview. If  $\beta_1 < 0$ , the lesbian applicant had a lower probability of receiving a job interview and vice versa.

In equation (1), I also included controls for differences in the cover letter, the curriculum vitae, the order in which the application was sent, the occupations, the interaction terms between lesbian applicants and occupations, and common time effects. I used the standard methodology of Chunrong Ai and Edward C. Norton (2003) to compute and interpret the probit model's interaction terms. For convenience, Appendix Table B summarizes the variable definitions.

I used an Ordinary Least Squares (OLS) regression to estimate the effect of sexual orientation on the days until call-back response. I derived the dependent variable, *days until response*, by counting the days it took the firm to call applicants after the resume sending. The variable *Lesbian* indicated the applicant was lesbian. A statistically significant positive coefficient would imply discrimination against lesbians in the form of more days until response. Equation (2) includes the same controls as equation (1):

$$\begin{aligned}
 V_i^*(\text{days until response}) = & \beta_0 + \beta_1 \text{Lesbian} + \beta_2 \text{Cover letter's type} + \beta_3 \text{CV's type} \\
 & + \beta_4 \text{Application's sending order} \\
 & + \beta_5 \text{Occupation dummies} \\
 & + \beta_6 \text{Lesbian} * \text{Occupation dummies} \\
 & + \beta_7 \text{Common time effects} + e
 \end{aligned} \tag{2}$$

I used straightforward OLS log regressions to estimate the effect of sexual orientation on the wage offered by employers.<sup>12</sup> The key variable of interest was a dummy variable that indicated whether the applicant was lesbian. I derived the dependent variable, *monthly wage offers*, from employers' responses to the question, "What is the monthly wage you offer for the vacancy?" or, alternatively, "Can you inform me of the monthly wage you offer?" The relevant econometric model can be given by:

$$\begin{aligned}
 \text{Log}(\textit{monthly wage offers}) = & \beta_0 + \beta_1 \textit{Lesbian} + \beta_2 \textit{Cover letter's type} + \beta_3 \textit{CV's type} \\
 & + \beta_4 \textit{Application's sending order} \\
 & + \beta_5 \textit{Occupation dummies} \\
 & + \beta_6 \textit{Lesbian} * \textit{Occupation dummies} \\
 & + \beta_7 \textit{Call-back order} \\
 & + \beta_8 \textit{Lesbian} * \textit{Call-back order} \\
 & + \beta_9 \textit{Employers' gender} \\
 & + \beta_{10} \textit{Lesbian} * \textit{Employers' gender} \\
 & + \beta_{11} \textit{Tester's impact} + \beta_{12} \textit{Lesbian} * \textit{Tester's impact} \\
 & + \beta_{13} \textit{Common time effects} + e \qquad (3)
 \end{aligned}$$

where *Lesbian* is an indicator variable equal to one if the respondent is lesbian (zero in all other cases) as in equation (1). The main effect of discrimination, if any, will be captured by the *Lesbian* coefficient. A statistically significant negative coefficient would imply discrimination in the form of lower wages. In the same way, I estimated equation (3) simultaneously for all types of occupations for each type of applicant. Hence, equation 3 included a vector of indicator variables for the cover letter, the curriculum vitae,<sup>13</sup> the application's sending order, the employers' call-back order,<sup>14</sup> the interaction term between lesbian applicants and call-back order, the occupation dummies, the interactions between lesbian applicants and occupation dummies, the employers' gender, the interactions between lesbian applicants and employers' gender, the tester's impact, the interaction between lesbian and tester's impact, and time-effect dummies.

Regarding the third relationship, I observed wage offers only if an applicant received a call-back. Under this structure, I assumed that sexual orientation influenced informal wage offers. In actuality, I did not have a vector of factors known to influence invitations for interview and wage offers other than sexual orientation. Thus, I could not estimate Heckman selection models.<sup>15</sup> However, I had to correct for the intra-class correlation that appeared.<sup>16</sup> In the estimations that follow, I reported full information-adjusted standard errors.

## ESTIMATIONS AND DISCUSSION

Table 4 presents the regression results. Panel A shows that the estimated probability of lesbian applicants receiving an invitation for an interview is 27.7 percentage points lower than that for heterosexual applicants, where the result is statistically significant at the 1 percent level. The estimations provided statistically significant evidence that the lesbian applicant would receive fewer interview call-backs when two identical applicants engaged in an identical job search. As far as it concerns the control variables, neither the cover letter's type nor the CV's type has a statistically significant effect. Similarly, the order in which the applications were sent had no significant effect. Nevertheless, the interaction terms between the lesbian dummy and occupation dummies are negative and statistically significant at the 1 percent level. In each occupation, the lesbian applicant faced significantly lower chances of being invited for an interview. As Adam (1981) claims, lesbian applicants are more likely to be unemployed than heterosexuals, assuming that an applicant receives an interview only if she has a substantial chance of getting the job.

The current estimations agree with Adam's (1981) and Weichselbaumer's (2003) results. They find a statistically significant reduction in the invitation rates for women applicants labeled as lesbians. Apparently, the estimates in this study are approximately two times higher than those in the studies cited. This pattern has two explanations. In my experiment, the investigation focused on low-qualified lesbian women. The previous surveys, however, were structured to test the performance of qualified women, such as lawyers, accountants, and secretaries. The issue of sexual orientation might be complicated by the wide variety of firm-specific labor market forms, the strong influence of occupational factors in determining employment practices, and their impact on lesbian employees' employment positions and prospects, as well as the problems associated with making comparisons at the sectoral level across markets. On the other hand, the Special Eurobarometer (2007) measures Greece as one of the most puritanical societies in Europe when it comes to general attitudes toward homosexuality: 85 percent of Greek respondents feel that homosexuality is taboo, compared with 48 percent of European Union individuals. Greece is perceived to be strongly reluctant to deal with issues such as sexual orientation in the labor market.<sup>17</sup>

Table 4, Panel B shows the equation's (2) regression estimation. We can observe that neither the basic variable of importance nor its interactions have statistical significance. Although the descriptive statistics demonstrated that the lesbian applicants received a call-back after the heterosexual applicant, the importance of this duration is insignificant.

## ARTICLES

Table 4 Probit and OLS estimations

	Panels A Call-backs	Panels B Days until response	Panels C Monthly wage offers
Lesbian	-0.277 (0.039)***	0.103 (0.539)	-0.063 (0.017)***
Cover letter's type	0.008 (0.069)	0.132 (0.328)	-0.006 (0.011)
Curriculum vitae's type	-0.028 (0.045)	-0.186 (0.311)	-0.014 (0.013)
Application's sending order	-0.012 (0.057)	-0.139 (0.327)	-0.009 (0.016)
Office jobs	0.228 (0.038)***	0.047 (0.571)	0.096 (0.016)***
Industrial jobs	0.331 (0.039)***	0.053 (0.570)	0.033 (0.016)**
Restaurant and café services	0.206 (0.043)***	0.035 (0.568)	0.078 (0.014)***
Shop sales	0.253 (0.026)***	0.026 (0.439)	0.039 (0.019)**
Lesbian × office jobs	-0.041 (0.018)***	0.066 (0.089)	0.078 (0.014)***
Lesbian × industrial jobs	-0.048 (0.015)***	0.108 (0.086)	-0.056 (0.028)**
Lesbian × restaurant and café services	-0.038 (0.018)***	0.138 (0.098)	-0.087 (0.020)***
Lesbian × shop sales	-0.076 (0.023)***	0.149 (0.101)	-0.053 (0.027)*
Call-back order	-	-0.038 (0.158)	-0.092 (0.025)***
Lesbian × call-back order	-	-0.023 (0.054)	-0.006 (0.011)
Employers' gender	-	-	-0.029 (0.021)
Lesbian × employer's gender	-	-	0.047 (0.024)*
Tester's impact	-	-	-0.026 (0.041)
Lesbian × tester's impact	-	-	0.046 (0.051)
Common time effects	-	-	0.029 (0.031)
R-squared	0.559	Yes 0.327	Yes 0.426
Observations	2114	753	407

Notes: Standard errors are in parentheses.

\*\*\*, \*\*, \* denote statistical significance at the 1, 5, and 10 percent levels, respectively.

Table 4, Panel C presents the OLS wage coefficients. The negative effect of lesbian sexual orientation is 6.1 percent and statistically significant at the 1 percent level (see the transformation in Robert Halvorsen and Raymond Palmquist [1980]). Lesbians' lower level of access regarding the reference occupations entailed discriminatory and statistically significant effects in the ensuing steps of the selection process. In the current study, the wage offered differential represents the amount of income employees "gained" or "lost" in the labor market relative to the total labor force, which is the net amount of their human resources. In the regression, the order in which the application was sent, the cover letter and CV type, the employers' call-back order, the interaction effect between the lesbian dummy and employers' call-back order, the tester's impact, and the interaction between the lesbian dummy and tester's impact were found to have insignificant effects on wage offers. However, the interactions between the lesbian variable and occupation dummies are significant. As the descriptive statistics suggested, wage offers are significantly different for lesbian and heterosexual applicants. Interestingly, I found that employers' gender had a significant effect on wage offers at the 10 percent level. Women employers seem to offer higher wages to applicants. Nevertheless, the interaction effect between the lesbian dummy and employers' gender is statistically insignificant.

Moreover, in Appendix Table C, I concentrate on those cases where both applicants were offered wages, and on the cases where only the heterosexual woman or only the lesbian woman received an offer.<sup>18</sup> Panel A shows that when both applicants received an invitation for an interview, the wage disparity affecting lesbians reached its lowest value. The estimated negative effect of lesbian sexual orientation is 4.6 percent. One could claim that when employers invite both applicants for an interview, they are driven by lower sexual prejudice against lesbians, and this trend is captured in lower sexual orientation penalties. On the other hand, as Panel B shows, when exclusively heterosexual or lesbian applicants were invited for an interview, the wage difference among the counter pairs reached its highest value, in the order of 8.4 percent. Probably, some firms may want to exploit the presumably lower market wages of lesbians. On the contrary, the respective firms may have a preference for lesbian employees but cannot pay higher wages due to lower profits and/or productivity. Both scenarios are possible. In sum, the different subsets allow me to estimate that the wage discrimination against lesbians is between 4.6 and 8.4 percent.

Today, Greek lesbians seem to suffer from the negative attitudes with which Greeks view gay people. As long as such biases are widely shared, the wage returns relative to sexual orientation are lower for lesbians. The present results are incompatible with the European studies from the UK, the Netherlands, and Sweden reviewed in this study (Plug and Berkhout

2004; Arabsheibani, Marin, and Wadsworth 2005; Ahmed and Hammarstedt 2010). There are a number of important issues concerning the interpretation of the current results. The present estimates hold for low-wage, low-qualified women only. Wage outcomes may be different for highly qualified women applying for more sophisticated vacancies. Moreover, there is no information regarding lesbians' earnings whenever they start new jobs. Whether lesbians face entry wage inequalities that would become premiums in the future is an open question. Weichselbaumer (2003) suggests that higher incomes may be a result of increased productivity, where this may be driven by greater effort. On-the-job training is also possible, since lesbians carry less household responsibility. As Elmslie and Tebaldi point out, the level of discriminatory attitudes against lesbians is "indeterminate theoretically" (2007: 442). On the one hand, lesbian women could suffer from negative attitudes toward homosexuals. On the other hand, lesbians may be preferred due to their being perceived as having stronger labor force attachments than heterosexual women.

Since the fictitious women in the current experiment have the same education level and experience and are applying for the same vacancy, human-capital differences are eliminated from the beginning. Discrimination definitely reduces the possibility of equality. Thus, it is interesting to ask whether previously proposed theories can explain the reasons for discrimination against lesbian women. Therefore, I briefly review the two main strands of the theoretical literature on discrimination in the context of sexual orientation: the "taste" theory (Becker 1957) and the "statistical" theory (Edmund S. Phelps 1972; Arrow 1973).

Becker suggests that discrimination coefficients incorporate the influence of characteristics on tastes and attitudes. In particular, employers may want to maintain a higher physical or social distance from certain groups, or they may fear that other employers, colleagues, and customers dislike interacting with lesbians in the labor market. Following this line of thinking, employers may also offer lesbian women a lower wage compared with heterosexual women in order to equalize the unit cost of labor once psychic costs are factored in. On the other hand, the statistical theory of discrimination predicts that, in a world of imperfect information, employers face risks when hiring individuals. Thus, specific characteristics can become screening devices. If the belief that minorities are less productive can be self-fulfilling, then sufficient conditions exist to create a permanent differential in hiring chances and wage offers for lesbians. In this situation, discrimination is not the consequence of exogenous preferences but of profit-maximizing behavior of risk-averse employers. The current evidence indicates that discrimination based on sexual orientation has a variety of causes and that these causes are multifaceted.<sup>19</sup> Moreover, they need not be the same for every type of

discriminatory behavior.<sup>20</sup> David Neumark (1999), however, suggests that from a policy perspective it is important to determine whether taste discrimination or statistical discrimination plays a major role in the wage differentials between sexual orientations. If taste discrimination accounts for the unexplained lower wages for lesbian employees, then antidiscrimination legislation may be the only appropriate response. However, if statistical discrimination is important, then a better means of assessing employees' productivity may contribute to the reduction of discrimination at the individual or group level.

The current findings are especially striking when considered in the context of legislation aimed at securing improvements in the labor market position of minorities in Greece. A new Greek law prohibiting discrimination on the grounds of sexual orientation (Law 3304/2005) came into force in January 2005, under the EU's Employment Equality Directive 2000/78/EC.<sup>21</sup> According to this legislation, employment equality applies to everyone, regardless of sexual orientation.<sup>22</sup> The goal is to ensure that everyone living in the EU can benefit from effective legal protection against discrimination. The estimated bias on the part of employers was observed in this study after the national antidiscrimination law was enacted, and so it is difficult to conclude whether the legislation had much of an effect on these outcomes. In addition, employers may not be aware that the law prohibits them from specifying certain types of restrictions in the hiring process.

Understanding the sources of and the mechanisms leading to inequality between people of varying sexual orientations is of crucial importance for studying and furthering the rights of all citizens, as outlined in public-policy initiatives. To date, Greece has not had the opportunity to devote substantial resources to public education in the area of employment, which is apparent in the public's general lack of awareness regarding the legal protection against unequal treatment. The lack of a controlled, public, educational, and informational instrument is a decisive factor preventing achievement of labor equality. The objective of eliminating this type of discrimination requires the mitigation of sexual prejudice and negative stereotypes and norms on the part of firms. That means information and affirmative action are required in order to regulate sexual-orientation minorities' access to and terms of employment. As the European Employment Directive 2000/78/EC suggests, policy makers should provide guidance to local authorities, employee unions, and employers on meeting the requirements of equal-opportunity and antidiscrimination policies. An employment policy should also provide information and advice to all households. Indeed, fighting discrimination in labor does require appropriate agencies, adequate findings, effective forms of implementation, and regular independent monitoring. National, regional, and local labor strategies should assess the needs of sexual

minorities through the means of periodic labor surveys and should monitor labor indicators related to equal-opportunity legislations.

The long-term well-being of all citizens is contingent on the ability to integrate all Greeks into a new arrangement of active citizenship. Labor market discrimination not only has long-term consequences for future generations, societal participation, and social mobility, but also poses current new threats and new challenges in a continuously changing market. Employers need to give more public support to sexual minorities' equality and be explicit about the unacceptability of discrimination. On the other hand, it is important for policy makers to remember that lesbian women and gay men are not a community set apart from the heterosexual population. At a time when the sexual orientation inequities in Greece are so readily observable, policy makers must rise to the challenge and confront all forms of exclusion and discrimination.

### RESEARCH LIMITATIONS

Without further research, I cannot generalize the results of this study to other kinds of applicants, vacancies, employers, and cultures. The current findings are strictly applicable only to the time and place from which the sample was drawn. Thus, many questions are left unanswered.

This study focuses on the hiring stage and ignores potential discrimination that could arise later. If lesbian employees experience losses in earnings because they more frequently end up in dead-end jobs or face glass ceilings, estimates based on starting positions would not pick up these effects. Furthermore, in reality, job offers are also obtained via informal searches and networks. This omission could qualitatively affect the results. On the other hand, as Badgett et al. (2007) note, the way that applicants label their sexual orientation may skew the level of discrimination by bias against social activists. Moreover, given the low level of factual knowledge on characteristics that are valued by employers and how personal attributes traded off against profitability content, and the heterogeneity among employers in making these assessments, it was not obvious that I possessed the relevant information required to make perfect matches. Furthermore, I observe wages for firms where the employers call to arrange an interview with the applicants. Based on previous studies, I could claim that these employers might have small firms, since Magnus Carlsson and Dan-Olof Rooth (2007) found that firms with fewer than 100 employees discriminate more. Hence, the level of discriminatory treatment might depend on a firm's size. The same argument also holds for the invitation to interview stage. Finally, I must note also that all the inferences I have drawn about wage differences are subject to serious concerns about the data quality. It is impossible to test a firm's truthfulness until an applicant is actually hired.

## CONCLUSION

I developed and implemented an experiment in 2007–8 to determine whether lesbians in Greece are treated differently in the hiring process from equally qualified heterosexual women. The results suggest that in Greece, low-qualified lesbian applicants face lower occupational access and are offered lower entry wages than heterosexual women. The estimated probability of lesbian applicants receiving an invitation for an interview is 27.7 percentage points lower than for heterosexual women who apply for the same job. The negative effect of lesbian sexual orientation in wages is 6.1 percent. The evidence suggests that employment discrimination against lesbians persists at alarming levels in Greek society. The systematic study of employment discrimination against sexual-orientation minorities is valuable both for its policy relevance and for its potential to inform social scientists and policy makers about the functioning of the labor market.

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## NOTES

- <sup>1</sup> At the governmental level, homosexuality remains stigmatized through unequal practices in Greece. The lack of legal recognition of family structures, the persistence of threats, the perpetuation of false stereotypes, and the lack of political will shown by the authorities in the fight against discrimination are demonstrative of such attitudes (Vlami 2007).
- <sup>2</sup> Labor market discrimination exists when two equally qualified individuals are treated differently in the labor market based on some personal characteristic unrelated to productivity (David H. Swinton 1977).
- <sup>3</sup> However, I suggest that many lesbians and gays reveal their sexual orientation, as hiding one's sexual preference is likely to cause anxiety and stress (Susan Pharr 1988; Jeff Byrne 1993). Coming out at work enables lesbian employees to feel confident, encourages a happier work experience, fosters openness and interaction with colleagues, and improves productivity.
- <sup>4</sup> Fax machines were adjusted to provide no identifying information (fax number, affiliations, or codes).
- <sup>5</sup> In Athens, three newspapers advertise job openings. Their classified advertisements, which are available online to registered members, are the most expedient way to search for a job. I became a member and had access to a large pool of job openings.

- <sup>6</sup> I chose to test for differential treatment against lesbians who enjoy music and cinema and are amiable and sociable. Someone could claim that the average lesbian is perceived to be masculine. However, as Weichselbaumer (2003, 2004) has shown, gender identity does not have a statistically significant overall impact on labor market outcomes. For heterosexual as well as lesbian women, masculinity does not work as an advantage or a disadvantage.
- <sup>7</sup> Although it was an option, none of the firms responded in writing.
- <sup>8</sup> In order to avoid inconvenience to the firms, a day before the interview was to occur they were informed of the applicants' inability to continue the process.
- <sup>9</sup> Homosexuals tend to be overrepresented in certain sectors. The sectors and occupations chosen in real life offer a more tolerant environment, have specific non-discrimination policies, are more secure, or offer better pension and health schemes. However, choosing a job in order to avoid future discrimination is a typical example of indirect discrimination.
- <sup>10</sup> I note that both gay-friendly firms and gay entrepreneurship are scarce in Greece, in accordance with the general homophobic trends in this society.
- <sup>11</sup> We had the chance to converse with employers in 62 percent of the call-backs, and raised questions regarding wage offers.
- <sup>12</sup> I included the wage in its natural logarithmic form so that the resulting estimated coefficients are more easily interpretable as percentages.
- <sup>13</sup> Wage offers could be affected by the applicants' cover letter and curriculum vitae type; I thus took this effect into consideration.
- <sup>14</sup> In each call-back, the employers were asked to give wage offers. Hence, the offers for the two applicants could be affected by the call-back order.
- <sup>15</sup> The sample selection problem that arises is exogenous and does not cause bias or inconsistency in my estimation (Jeffrey M. Wooldridge 2006).
- <sup>16</sup> In the first and second relationship, two applicants contacted the same firm. Hence, the probability of the heterosexual applicant receiving an invitation was correlated with the probability of the lesbian applicant receiving one. In the third relationship, I expected wage offers to be correlated for the two applicants. In order to correctly analyze the data, I took these correlations into account.
- <sup>17</sup> Notice also that there is no registered partnership law in Greece, and a draft law put forward by the current government for the recognition of registered partnership (the "Cohabitation Act") specifically excludes same-sex couples (Olivier De Schutter 2008).
- <sup>18</sup> Detailed descriptive statistics are available upon request.
- <sup>19</sup> It might be of interest to compare how large or small is the effect of women's sexual orientation with other "demographic" characteristics in the Athenian labor market. Nick Drydakis and Minas Vlassis (2010) found that the estimated occupational access of ethnic minorities (Albanian men) is 21 percentage points lower than those of Greeks. Also, Drydakis (2009) found that the estimated occupational access of gay men is lower by 26 percentage points than those of heterosexual men. Moreover, Nick Drydakis (2010) found that the estimated occupational access of seropositive patients (HIV+) is lower by 43 percentage points than that of healthy employees. As it is observed, the level of lesbian bias in the Athenian labor market is higher than gay men bias and ethnic minority bias, but lower than ill-health bias.
- <sup>20</sup> Note that Mariano Bosch, Angeles Carnero, and Lidia Farre (2010) – as well as Ali M. Ahmed, Lina Andersson, and Mats Hammarstedt (2010)– found that disclosing information about applicants in the market did not eliminate stereotypical notions against minorities, suggesting the strong presence of prejudices towards them.
- <sup>21</sup> Sexual minorities throughout Europe have repeatedly claimed that they are made victims of discrimination in employment by being fired, not hired, or not promoted because of their orientation (De Schutter 2008). To address this injustice, they have

turned to employers, legislative bodies, and the courts, demanding laws and personnel policies that bar such prejudice. The above incidents indicate that racism and other forms of discrimination could jeopardize the European Community's aims of full market integration and social cohesion.

- <sup>22</sup> It is unlawful to discriminate against (i) job applicants – in relation to recruitment, arrangements, decisions, and harassment; (ii) employees – in relation to terms, promotions, transfers, training, benefits, and dismissals; and (iii) ex-employees – where the discrimination is closely connected to their employment.

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## WOMEN'S SEXUAL ORIENTATION

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## APPENDIX

### *Appendix Table A* Curriculum vitae types – short version

Type A

Dear Sir/Madam,  
 Please find attached my Curriculum Vitae for your kind consideration for the vacancy as was advertised in . . . .  
 Yours sincerely,

**Curriculum Vitae**  
**First Name:**  
**Last Name:**  
**Ethnicity:** Greek  
**Marital Status:** Unmarried  
**Date of Birth:** ... / ... /1978  
**Address:** Location  
**Telephone:** Mobile

*(continued)*

## Appendix Table A (continued)

<u>Type A</u>
<p><b>Education:</b></p> <p>Certificate of completion of Greek High School in 1996, Location Basic Knowledge of English and P/C Driving License</p> <p><b>Professional Experience:</b></p> <p>From August 1997 to January 2000 Appointment/Firm From March 2000 to March 2003 Appointment/Firm From April 2003 to ... 200(7)8 Appointment/Firm</p> <p><b>Interests:</b></p> <p>Member-volunteer in the Athenian Homosexual Association (2001–05) Cinema Music</p> <p><b>Personal Characteristics:</b> Amiable Productive</p>

<u>Type B</u>
<p>Dear Sir/Madam, Please consider my application for the vacancy as was advertised in ... I attach my Curriculum Vitae. Yours faithfully,</p> <p><b><u>Curriculum Vitae</u></b></p> <p><u>First Name</u> <u>Last Name</u></p> <p><u>Date of Birth</u> ... / ... /1978 <u>Ethnicity</u> Greek <u>Marital Status</u> Unmarried <u>Address</u> Location <u>Telephone</u> Mobile</p> <p><b><u>Experience</u></b></p> <p><u>Appointment/Firm</u> February1997 – November1999 <u>Appointment/Firm</u> December1999 – July 2004 <u>Appointment/Firm</u> August2004 – ... 200(7)8</p> <p><b><u>Education</u></b></p> <p><u>Certificate of completion of Greek High School</u> in 1996, Location <u>English</u> Basic Knowledge <u>P/C</u> Basic Knowledge</p> <p><b><u>Personal</u></b></p> <p><u>Hobbies</u> Music Cinema Volunteer in the Olympus: Environmental Union from 1999–2003 <u>Personality</u> Social Productive <u>Driving License</u></p>

WOMEN'S SEXUAL ORIENTATION

Appendix Table B List of variables

<i>Name</i>	<i>Definition</i>
Call-back	= 1 if the applicant receives an appointment; = 0 if not
Days until response	= days of waiting between resume sending and call-back
Monthly wage offers	= monthly wages offered by employers
Lesbian	= 1 if the applicant is labeled as being lesbian, = 0 if not
Application's sending order	= 1 if the lesbian's CV is sent first, = 0 if not
Curriculum vitae's type	= 1 if the CV is of type A, = 0 if not
Cover letter's type	= 1 if the Cover Letter is of type A, = 0 if not
Office jobs	= 1 if the applicant applied for a vacancy in office jobs, = 0 if not
Industry jobs	= 1 if the applicant applied for a vacancy in industry jobs, = 0 if not
Restaurant and café services	= 1 if the applicant applied for a vacancy in restaurant and café services, = 0 if not
Shop sales	= 1 if the applicant applied for a vacancy in shop sales, = 0 if not
Call-back order	= 1 if the employer calls the labeled lesbian applicant first, = 0 if not
Employers' gender	= 1 if the employer is male, = 0 if not
Tester's impact	= 1 for tester No. 1, = 0 for tester No. 2
Common time effects	= 1 if the application is sent in September, = 0 if not = 1 if the application is sent in July, = 0 if not

Appendix Table C OLS wage estimations

	<i>Panel A</i> <i>Paired observations<sup>a</sup></i>	<i>Panel B</i> <i>Exclusive observations<sup>b</sup></i>
Lesbian	-0.048 (0.014)***	-0.088 (0.010)***
Cover letter's type	-0.005 (0.011)	-0.002 (0.015)
Curriculum vitae's type	-0.017 (0.014)	-0.017 (0.012)
Application's sending order	-0.010 (0.018)	-0.012 (0.024)
Office jobs	0.094 (0.010)***	0.100 (0.018)***
Industry jobs	0.042 (0.014)***	0.054 (0.010)***
Restaurant and café services	0.057 (0.018)***	0.081 (0.016)*** <sup>a</sup>
Shop sales	0.030 (0.015)***	0.042 (0.017)***
Lesbian × office jobs	-0.052 (0.028)*	-0.055 (0.025)***
Lesbian × industrial jobs	-0.079 (0.021)***	-0.086 (0.020)***
Lesbian × restaurant and café services	-0.054 (0.025)*	-0.050 (0.021)***
Lesbian × shop sales	-0.090 (0.028)***	-0.097 (0.025)***
Call-back order	-0.010 (0.011)	-0.007 (0.011)
Lesbian × call-back order	-0.027 (0.021)	-0.027 (0.029)
Employers' gender	0.044 (0.022)**	0.049 (0.026)*
Lesbian × employer's gender	-0.025 (0.037)	-0.031 (0.027)
Tester's impact	0.045 (0.050)	0.048 (0.049)
Lesbian × tester's impact	0.031 (0.038)	0.027 (0.022)
Common time effects	Yes	Yes
R-squared	0.365	0.302
N	268	139

Notes: <sup>a</sup>Both heterosexual and lesbian applicants were offered wages. <sup>b</sup>Only the heterosexual woman or only the lesbian woman was offered wages. Standard errors are in parentheses. \*\*\*, \*\*, \* denote statistical significance at the 1, 5, and 10 percent levels, respectively.