

# budget notes

Office of the New York City Comptroller  
Office of Fiscal & Budget Studies  
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## Love Counts: The Economic Benefits of Marriage Equality for New York



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## EXECUTIVE SUMMARY

Legalizing marriage for same-sex couples in New York would have impacts beyond allowing individuals to make the full legal commitments to their partners that opposite-sex couples take for granted. Marriage equality would provide economic benefits to New York State and New York City, especially in the years immediately following enactment of legislation granting this important civil right. The economic benefits would be derived primarily from the increase in visitors from other states who come to New York for the purpose of marrying or attending weddings.

Legalization of marriage for same-sex couples would also entail costs to businesses. In particular, businesses that offer health insurance to employee spouses would be required to cover same-sex spouses. However, this additional cost would be partially offset because many firms already offer coverage for domestic partners.

The Comptroller's Office also investigated potential fiscal impacts. Weddings generate sales taxes and marriage license fees, and marriage may affect the income tax, estate taxes, and public spending on means-tested government transfer programs.

In 2005, there were 50,854 same-sex couples living together and residing in New York State. These couples were identified as partners based on questions answered in the U.S. Bureau of the Census American Community Survey. In the same year, there were 23,321 such couples in New York City. For the country as a whole, same-sex couples identified as partners via the Census Bureau numbered nearly 777,000.<sup>1</sup> Except for same-sex couples residing in Massachusetts, or in the few states recognizing marriages of same-sex couples performed elsewhere, these couples are denied the opportunity to marry in the United States.

The Comptroller's Office estimates that the economic impact of marriage equality would add \$142 million, on a net basis, to New York City's economy during the three years following legislative approval. It would add about \$184 million, on a net basis, in spending to the State's economy. The \$142 million benefit to New York City's economy includes spending on weddings by New York State residents who live outside the City but choose to marry here. The Comptroller's Office estimates that the State will collect about \$8 million more in taxes and save more than \$100 million in outlays on health care, while the City would collect about \$7 million in taxes and fees and experience no impact on outlays. These impacts are summarized in Table 1.

These estimates do not capture all of the potential impacts of legalizing marriage for same-sex couples. For example, firms may face lower recruiting costs or an expanded pool of qualified candidates if same-sex couples are more likely to move to New York as a result of a change in the marriage laws. In addition, greater economic security resulting from marriage may lead more couples to purchase homes, which would generate more tax revenue.

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<sup>1</sup> Tabulations in Gary J. Gates, Ph.D., "Same-sex Couples and the Gay, Lesbian, Bisexual Population: New Estimates from the American Community Survey," The Williams Institute on Sexual Orientation Law and Public Policy, October, 2006.

**Table 1. Summary of Three-Year Economic and Fiscal Impacts of Legalizing Marriage for Same-Sex Couples**

	NYS	NYC
<b>Economic Impacts</b>		
Weddings	\$247,000,000	\$175,000,000
Employee Health Insurance	(63,000,000)	(33,000,000)
<b>Net Economic Impact</b>	<b>\$184,000,000</b>	<b>\$142,000,000</b>
<b>Fiscal Impacts</b>		
Sales & Hotel Occupancy	\$5,500,000	\$5,100,000
Personal Income Tax	2,100,000	negligible
Estate Tax	negligible	—
Fees <sup>a</sup>	—	1,800,000
Health	110,000,000	0
Public Assistance	0	0
<b>Net Fiscal Impact</b>	<b>\$117,600,000</b>	<b>\$6,900,000</b>

<sup>a</sup> Marriage license fees are paid to local municipalities.

## METHODOLOGY

Data from the 2005 American Community Survey (ACS) form the basis for most of the estimates in this report. However, the limited historical data regarding marriage between same-sex couples in the United States required using a number of assumptions to build on these basic figures and construct estimates of the economic and fiscal impacts of legalized marriage for same-sex couples. These assumptions included, for example, the likelihood that a same-sex couple will marry or be covered by health insurance. Throughout the report, we assume that 51 percent of same-sex couples identified through the ACS will marry if given the opportunity, based on the experience of Massachusetts.<sup>2</sup>

The ability of the Comptroller’s Office to develop reasonable assumptions was aided greatly by previous studies by M. V. Lee Badgett of the University of Massachusetts Amherst Institute for Gay and Lesbian Strategic Studies and the Williams Institute on Sexual Orientation Law and Public Policy of University of California, Los Angeles and her several colleagues and co-authors, whose reports are cited throughout this study. Our analysis follows this research in its attempt to develop conservative estimates of the impacts of legalized marriage. Thus, our analysis tends to provide low estimates of the economic or fiscal benefits of marriage, but high estimates of costs.

The time frame for our analysis is a three-year period immediately following enactment of legislation legalizing marriage for same-sex couples. The Comptroller’s Office assumes that there would be an initial surge in marriages during this time frame, which would then taper off significantly. The Comptroller’s Office also assumes that if the State legalizes marriage for same-sex couples, changes would be made throughout the State’s laws and regulations to ensure equal treatment of same-sex and opposite-sex married couples.

<sup>2</sup>Massachusetts Registry of Vital Records & Statistics (2004 to 2006).

## **ECONOMIC IMPACTS OF MARRIAGE EQUALITY**

### **Impacts of Same-Sex Weddings on New York State and New York City**

No government agency keeps track of the amount of money couples (or their families) spend on weddings. However, because weddings are lucrative to the restaurant, hotel, catering and travel industries, attempts have been made by private concerns to quantify their impacts. According to one of these sources,<sup>3</sup> more than two million weddings costing, on average, nearly \$27,000 each, generated \$57 billion in direct spending nationally in 2006. In New York State, about 130,000 couples married in 2006, spending roughly \$4 billion in the process. About 60,000 New York City weddings accounted for about half of that total spending. New York State weddings cost more than the national average—about \$32,000—and New York City weddings are even more expensive, averaging \$37,000.

Measuring the economic impact of an activity requires identifying how much of that activity generates spending that would not have taken place otherwise. Therefore, all the spending derived from couples residing outside of the City and State is captured in the economic impact, whereas only a portion of resident wedding expenditures, such as money redirected from out-of-town activities, is assumed to be new spending.

Following the convention established in previous studies regarding this issue, the Comptroller's Office assumes that same-sex couples will, on average, spend far less on weddings than their opposite-sex counterparts. We make this assumption because it is likely that many couples will not have the financial backing of their families, and to maintain conservative estimates of economic benefits.

#### ***New York State***

The Comptroller's Office estimates that in the three years following legalization of marriage for same-sex couples in New York State, more than 56,000 couples would travel from out-of-state to marry here, as shown in the "Total" column of Table 2, generating spending of approximately \$137 million. The estimated number of couples from different states traveling to New York to marry was based on ACS data and the rank of leisure tourists by state, adjusted to reflect relative proximity to New York State. Excluding Massachusetts, which permits same-sex marriage, out-of-state leisure visitors primarily come from Florida, New Jersey, California, Pennsylvania, Maryland, Texas, Connecticut, and Virginia.

New York State requires a minimum of 24 hours between the issuance of a marriage license and the performance of a wedding ceremony. Couples intending to marry and travel to New York State would either stay overnight or attempt to make two day-trips to New York State to avoid the overnight stay. Table 2 also shows the number of couples assumed by the Comptroller's Office to make day-trips to wed, and the spending associated with those trips. The estimated 6,845 same-sex couples taking (two) day-trips to New York State to obtain their marriage licenses and subsequently get married are assumed to come from New Jersey, Connecticut and Pennsylvania because of their close proximity to New York State. These couples would spend more than \$1 million, based on spending about \$38 per person daily.

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<sup>3</sup>The aggregate wedding spending numbers used in this report were drawn from [theweddingreport.com](http://theweddingreport.com). The numbers of weddings are provided by government sources.

Of those who stay overnight, some will wed simply and inexpensively—perhaps hosting larger parties in their home towns—while others will have more elaborate ceremonies, or “destination” weddings which include travel not only by the wedding couple but their guests.

Same-sex couples planning to marry and stay overnight in New York State would spend almost \$60 million and generate approximately \$77 million in destination wedding guests’ spending.<sup>4</sup> This \$77 million in spending would consist of \$60 million generated by those staying overnight in hotels, \$16 million from guests staying with friends and family, and over \$1 million from day-trippers.

**Table 2. The Economic Impact of Same-Sex Weddings in New York State**

State of Origin	Out-of-State Same-Sex Couples Who Would Marry in NYS					Total	Guests
	Day-Trippers	Overnighters			Total		
		Simple Wedding		Destination Wedding			
		Hotel	Stay with Friends or Family	Hotel			
Florida	0	1,821	3,362	1,821	7,004	54,627	
New Jersey	3,164	823	1,519	823	6,329	24,676	
California	0	1,572	2,902	1,572	6,046	47,159	
Pennsylvania	2,384	930	1,716	930	5,960	27,890	
Maryland	0	828	1,528	828	3,184	24,834	
Texas	0	721	1,331	721	2,773	21,627	
Connecticut	1,297	337	623	337	2,594	10,118	
Virginia	0	652	1,204	652	2,508	19,565	
All Others	0	5,236	9,667	5,236	20,139	157,082	
<b>Total</b>	<b>6,845</b>	<b>12,920</b>	<b>23,852</b>	<b>12,920</b>	<b>56,537</b>	<b>387,578</b>	
<b>Total Spending (000's)</b>	<b>\$1,033</b>	<b>\$12,894</b>	<b>\$6,844</b>	<b>\$40,067</b>	<b>\$60,838</b>	<b>\$76,539</b>	

We assumed that couples would stay overnight for three days, based on a hypothetical itinerary involving a couple’s arrival on a Thursday to obtain a marriage license, with the next two days occupied by the wedding, a party, and sightseeing. Their overnight guests on the other hand would need to stay only two days.

Same-sex couples planning to marry and choosing to stay overnight with friends and family are probably on a more restrictive budget than their hotel counterparts, and are therefore unlikely to host a wedding banquet for 30 people (half the average number of guests for the average destination wedding) at a cost of approximately \$2,000. Invitations to destination wedding guests are therefore assumed to come from couples staying in hotels.

The Comptroller’s Office assumes that New York State residents will spend more on their weddings than out-of-state couples, about half of the average opposite-sex wedding. However, we assume only twenty percent represents “new” spending to the New York economy, as most spending would have occurred otherwise. Assuming also that 25 percent of the guests at

<sup>4</sup> In New York City, 52 percent of overnight visitors stay in hotels, while the remaining 48 percent stay with friends and family. These percentages are assumed to be the same for New York State.

these weddings are from out-of-state, resident weddings would generate almost \$110 million in spending over our three-year time horizon.

**Table 3. Economic Impact of Weddings of Same-Sex Residents of New York State**

(\$ in thousands)

Spending	
Same-Sex Couples Marrying	\$82,994
Guests	
Day-Trippers	\$15,664
Overnight Guests Staying at Hotel	8,628
Overnight Guests Staying with Friends or Relatives	2,481
Subtotal	\$26,773
<b>Total</b>	<b>\$109,767</b>

**New York City**

New York City would receive a boost of nearly \$175 million to its economy during the first three years after legislative approval of marriage for same-sex couples in the State.

**Table 4. The Economic Impact of Same-Sex Weddings in NYC**

State of Origin	Out-of-Town Same-Sex Couples Who Would Marry in NYC					Total	Guests
	Day-Trippers	Overnighters			Total		
		Simple Wedding		Destination Wedding			
		Hotel	Stay with Friends or Family				
NYS, excluding NYC	3,370	584	1,078	584	5,616	17,524	
New Jersey	2,531	439	810	439	4,219	13,160	
Pennsylvania	1,862	484	894	484	3,724	14,526	
Connecticut	1,245	216	398	216	2,075	6,476	
All others, excluding MA	0	5,962	11,006	5,962	22,930	178,850	
<b>Total</b>	9,008	7,685	14,186	7,685	38,564	230,536	
<b>Total Spending (\$ in 000's)</b>	<b>\$1,360</b>	<b>\$11,487</b>	<b>\$6,097</b>	<b>\$35,693</b>	<b>\$53,277</b>	<b>\$62,755</b>	

Out-of town same-sex couples are projected to spend \$53 million with over \$17 million coming from couples having simple weddings and more than \$35 million from couples hosting more elaborate destination weddings. An additional \$63 million in spending would be attributed to destination wedding guests. Of this amount, \$49 million would be generated by destination wedding guests staying in hotels, while \$13 million would be spent by those guests staying with friends and family. About \$1 million would be attributed to money spent by day-trippers from other parts of New York, New Jersey, Connecticut, and Pennsylvania.

Weddings of New York City residents would generate \$59 million in spending, based on the same set of assumptions applied to New York State residents.

**Table 5. Economic Impact of Weddings of Same-Sex Residents in New York City**

(\$ in thousands)

	Spending
Same-Sex Couples Marrying	\$44,007
Guests	
Day-Trippers	\$7,183
Overnight Guests Staying at Hotel	5,926
Overnight Guests Staying with Friends or Relatives	1,704
Subtotal	\$14,813
<b>Total</b>	<b>\$58,820</b>

### Impacts of Expanded Health Benefits

If same-sex couples were allowed to marry, many firms that offer spousal and family benefits would incur higher costs for health care benefits. The Comptroller's Office estimates that New York City firms would pay a total of about \$11 million per year in increased health insurance costs for employee spouses and families, as shown in Table 6, for a three-year cost of \$33 million. New York State firms as a whole would pay about \$21 million annually for this additional coverage, or \$63 million over three years.

This estimate was derived from a multi-step procedure starting with the number of same-sex couples living in New York State and New York City deemed likely to marry. Of those couples, we calculated the number with at least one earner in the private sector, based on the national proportion of same-sex couples with earnings.<sup>5</sup> Using the participation rate of Mid-Atlantic private sector workers in employer health insurance, we were able to estimate the number of spouses eligible for coverage if marriage for same-sex couples were legalized.<sup>6</sup> We adjusted this number for spouses already eligible for coverage by firms offering coverage for domestic partners, and added in the number of non-resident spouses who would be eligible for coverage because their spouse commutes to work in New York City or New York State.<sup>7</sup> (The number of spouses eligible through commuting, as noted in Table 6, is higher in New York City than New York State because many New York City commuters are State residents.) We applied a take-up rate (the proportion of spouses made eligible for health insurance who accept coverage) of 44.9 percent based on previous research.<sup>8</sup> The number of newly-eligible spouses was multiplied by the average incremental employer contribution for family coverage, about \$5,000.

<sup>5</sup> M. V. Lee Badgett and Gary Gates, *The Business Cost Impact of Marriage for Same-Sex Couples*, published jointly by The Human Rights Campaign Foundation, Washington D.C., and the Institute for Gay and Lesbian Strategic Studies, Amherst, MA 2004. Couples with earners were further broken out into those with one and those with two earners. <http://www.hrc.org>

<sup>6</sup> U.S. Bureau of Labor Statistics, National Compensation Survey 2003, <http://www.bls.gov/ncs/ebs/sp/nr2003table1.pdf>

<sup>7</sup> Kaiser Family Foundation and Health Research and Education Trust, *Surveys of Employer-Sponsored Health Benefits*, 2001, 2004 and 2006.; Bureau of Labor Statistics, LAUS data.

<sup>8</sup> Michael A. Ash and M. V. Lee Badgett, "Separate and Unequal: The Effect of Unequal Access to Employment-Based Health Insurance on Same-Sex and Unmarried Different-Sex Couples," *Contemporary Economic Policy*, 2006, vol. 24, issue 4, pp 582-599.

**Table 6. Business Health Insurance Costs for Newly-Eligible Spouses**

	NYS	NYC
Same-sex couples likely to marry	25,936	11,894
with at least one employed spouse	18,477	8,473
Potentially eligible spouses, adjusted for take-up rate	4,256	1,952
adjusted for domestic partner benefits	3,971	1,821
Incremental cost of resident eligible spouses	\$19,430,948	\$8,909,600
Non-resident spouses eligible through commuting	274	436
Incremental cost of nonresident eligible spouses	\$1,340,195	\$2,133,245
Total eligible spouses without coverage under current law	4,245	2,257
<b>Total incremental annual health insurance costs</b>	<b>\$20,771,143</b>	<b>\$11,042,845</b>

In New York City, the additional costs would be spread over nearly 211,000 business establishments, while the Statewide costs would be spread over about 503,000 establishments.<sup>9</sup> Since some firms are composed of several establishments, the costs would be spread over fewer firms. However, the number of firms is not available from published data. Most firms would experience no impact at all.

The cost of additional health coverage is likely overstated in this analysis because assumptions were chosen to yield high-end estimates of business costs. Specifically:

- Some covered individuals likely already receive family coverage for their children or do not have children, resulting in smaller incremental costs incurred to add only a spouse to their policies. Likewise, some individuals may decline coverage with their employer in favor of coverage with their spouse's employer, resulting only in a shift in costs. Moreover, the take-up rate chosen was at the high end of a range estimated by Ash and Badgett.
- The adjustment for the number of individuals working in firms that offer domestic partner coverage is fairly small given the significant proportion of the New York City labor force working for large firms and non-profit entities, such as hospitals, where domestic partner coverage is prevalent. Surveys by the Human Rights Campaign (HRC) Foundation reveal that many of the largest private sector employers with headquarters in New York City and offices throughout the State already offer health benefits to same-sex domestic partners. In fact, 22 of the 45 private sector Manhattan-based companies that qualified to be rated, received a perfect Corporate Equality Index (CEI) score of 100.<sup>10</sup> Employees of State and City agencies currently receive health benefits for their same-sex domestic partners. The policies of universities such as CUNY, Columbia, and NYU, along with a review of health benefits provided by hospitals to Local 1199 union members, suggests that not-for-profit organizations in New York City generally provide medical coverage for the same-sex domestic partners of their employees.

<sup>9</sup> U.S. Census, County Business Patterns, 2004, <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsel.pl>.

<sup>10</sup> The CEI is a tool used by the HRC Foundation to measure how equitably companies are treating their gay, lesbian, bisexual, and transgender employees. In order to qualify to be rated, private sector companies must have at least 500 full-time U.S. employees or be listed on either a) Fortune Magazine's top 1000 largest corporations, b) Forbes top 200 privately held firms, c) Standard & Poor's 500 or d) American Lawyer Magazine's top 100 law firms.

- The benefits of providing expanded health coverage to spouses of employees are not factored in to the analysis. In particular, lower absenteeism, more competitive recruitment, and better retention of valued employees may offset higher health insurance expenses.

## FISCAL IMPACT OF MARRIAGE EQUALITY

Legalizing marriage for same-sex couples would lead to small increases in tax revenue collections for both the State and the City. Over our three-year time frame, the State would collect about \$8 million in additional taxes, while City collections would yield about \$7 million in taxes and fees. While the costs of public employee benefits and public assistance would not be affected by marriage equality, the State would save more than \$100 million on publicly-funded means-tested health benefits because some individuals would become ineligible when marriage raises their household income over certain thresholds. These results—small revenue impacts combined with more significant savings on outlays—are similar to the conclusions of a Congressional Budget Office study of the effect of marriage equality on the federal budget.<sup>11</sup>

### **Taxes**

The tax impacts of legalizing marriage for same-sex couples would derive primarily from sales and hotel occupancy tax revenues resulting from an increase in wedding-related tourism. The personal income tax and estate taxes will also show small impacts.

- **Sales and Hotel Occupancy Taxes.** Sales tax on wedding expenditures would add \$4.3 million to the City’s budget and another \$5.5 million to the State. The MTA, which receives a portion of the sales tax, would benefit by about \$500,000. The City would collect an additional \$767,000 in Hotel Occupancy Tax revenue.
- **Personal Income Tax.** Due to the Federal Defense of Marriage Act, same-sex married couples are not allowed a “married” filing status on their federal tax returns.<sup>12</sup> Since New York State and City currently use federal adjusted gross income as a starting point for applying tax provisions, the State would be required to adjust the tax code to accommodate same-sex married couples who wish to file as married. If that adjustment were made, there would be virtually no change in the City’s income tax collections and State collections would increase \$2.1 million after three years, as couples previously filing separately as “single” or “head of household” change their filing status to “married filing jointly.”

The State and City personal income tax provisions eliminate some of the so-called “marriage penalty,” which refers to the additional combined tax liability for married couples, compared to the liability that would be owed if

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<sup>11</sup> Congressional Budget Office, “The Potential Budgetary Impact of Recognizing Same-Sex Marriages,” analysis prepared for the U.S. House of Representatives Committee on the Judiciary, Subcommittee on the Constitution, June 21, 2004.

<sup>12</sup> The Defense of Marriage Act (DOMA), signed into federal law in 1996, enjoined the federal government from recognizing marriage for same-sex couples. DOMA therefore may affect how states are able to administer certain federal programs as well as how they administer taxes that normally use federal definitions to determine the tax base.

they were each filing as single. However, the State tax code has a rate recapture feature for filers with high incomes that increased the estimated collections for our household sample.<sup>13</sup>

**Table 7. Impact on Personal Income Tax Revenues**

Change in Tax	New York City			New York State		
	Percent of Couples	Average Change per Couple	Total Change (\$ in 000s)	Percent of Couples	Average Change per Couple	Total Change (\$ in 000s)
Tax Increase	50.1%	\$53	\$369	45.2%	\$438	\$5,087
No Change	8.8%	0	0	11.1%	0	0
Tax Decrease	41.1%	\$(132)	\$(759)	43.7%	\$(263)	\$(2,952)
<b>Net Change</b>	–	<b>\$(28)</b>	<b>\$(346)</b>	–	<b>\$83</b>	<b>\$2,135</b>

- **Estate Tax.** Legalized marriage will affect the State’s estate tax since there is no estate tax when the estate is passed to a surviving spouse. However, the Comptroller’s Office has determined that this impact would be extremely small. In the extreme, if one of the partners of all the same-sex resident couples we assume will marry were to die, the loss to the State’s treasury would total just over \$1 million. Since only a very small number of spouses can be expected to die in our three-year time period, the loss of taxes would be negligible.
- **Fees.** Revenues from marriage licenses would total \$3 million statewide, based on 50,458 applications at \$35 each in New York City, and 32,012 applications elsewhere in the State at a cost of \$40 each.
- **Real-estate-related taxes.** The homeownership rate for unmarried same-sex couples in New York State is 51 percent, compared to the 71 percent rate for married different-sex couples. The Comptroller’s Office has estimated that additional collections of real-property-transaction-related taxes in New York City could total as much as \$40 million over a multi-year period as homeownership rates adjust, and the State could collect nearly \$50 million. However, such a change in homeownership rates depends on behavioral changes and is speculative, and we therefore do not include this amount in our overall total.

### **Public Sector Spending**

- **Public employee health and pension benefits.** Domestic partners of New York State and City employees are eligible for health benefits under current law.<sup>14</sup> It is therefore unlikely that the public sector would incur additional costs due to spousal health benefits if marriage is legalized for same-sex

<sup>13</sup> The State’s tax code has a “rate recapture” provision, which causes all income to be taxed at a flat, rather than graduated, rate for AGI greater than \$150,000. The flat rate is phased in starting when AGI reaches \$100,000. The simulation model developed by the Comptroller’s Office to estimate the tax impacts of legalized marriage for same-sex couples applied a graduated rate to the income between \$100,000 and \$150,000 and the flat rate for income of \$150,000 and more. The model also applied, where relevant, Earned Income, Household, and Child Care Tax Credits. We are grateful to the Williams Project for sharing the necessary data from the 2000 Census on New York’s same-sex couples.

<sup>14</sup> This is true with the exception of New York State Senate staff, who are not eligible for domestic partner benefits.

couples. Similarly, the State and City pension systems allow employees to designate a beneficiary in exchange for reduced pension benefits, so a change in the law with respect to marriage is unlikely to increase these costs.

- **Public savings on means-tested programs.** Individuals receiving assistance under certain means-tested programs may become ineligible for this assistance if they marry someone whose income or assets are sufficient to bring them above the income and asset thresholds for these programs.
  - **Public Assistance.** Temporary Assistance for Needy Families (TANF) and the Safety Net Assistance (SNA) program are the primary State-funded means-tested public assistance programs in New York State. TANF is a federally funded block grant matching entitlement program which requires each state to reach a certain level of expenditures (“maintenance of effort”) in order to qualify for the maximum amount of matching federal funds. TANF and SNA spending are counted under maintenance of effort requirements, as are several other programs, including child care subsidies, earned income tax credits, and immigrant medical benefits. If marriage for same-sex couples were legalized in New York State, some people who currently benefit from means-tested TANF or SNA programs would become ineligible because combined household income would place them above the threshold for means-tested assistance. However, the maintenance of effort requirements would lead these expenditures to be shifted to other qualifying programs rather than realized as budgetary savings.
  - **Means-tested publicly-funded health care.** Individuals may be rendered ineligible through marriage for the State’s means-tested Medicaid program. Medicaid has several components, including assistance for TANF and SNA recipients, Family Health Plus, and the SSI Blind & Disabled program. In the absence of direct information regarding individuals with same-sex partners who also receive Medicaid, the Comptroller’s Office has developed very general estimates of the impacts of legalized marriage for same-sex couples on Medicaid based on methodology used by Badgett and Sears in a study of the impact of same-sex marriage on the California budget.<sup>15</sup> Their estimates relied on a California health survey that included a question regarding sexual orientation, which they used to estimate the share of means-tested public health care recipients who were members of a same-sex couple. The Comptroller’s Office used the same shares for this analysis, under the assumption that the true shares for New York State would be a similar order of magnitude as in California. Following Badgett and Sears, we assume that half of the recipients who marry will become ineligible for assistance. The estimates are presented, in round numbers, in Table 8, and total about \$37 million the first year, increasing to about \$111 million by the third year. Because the State absorbs Medicaid cost increases in excess of 3.5 percent, we

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<sup>15</sup> M. V. Lee Badgett and R. Bradley Sears, “Putting a Price on Equality? The Impact of Same-Sex Marriage on California’s Budget,” *Stanford Law and Policy Review* 197, 2005.

assume that the full benefit of these savings will be realized by the State.

**Table 8. New York State Budget Savings from Means-Tested Health Programs**

	Total Recipients	Percent with Same-Sex Partners	Number Marrying and Ineligible	Annual Cost per Beneficiary	Total Savings	State Share of Savings
Medicaid for TANF/SNA	2,067,465	1.0%	5,696	\$4,890	\$27,900,000	\$13,950,000
Family Health Plus	470,502	0.2%	259	\$1,711	\$400,000	\$223,000
SSI Blind & Disabled	429,500	3.1%	3,668	\$12,497	\$45,800,000	\$22,900,000
<b>Total</b>	<b>2,967,467</b>		<b>9,623</b>		<b>\$74,100,000</b>	<b>\$37,073,000</b>

- **Administrative and court costs.** Other fiscal impacts of legalizing marriage for same-sex couples include administrative costs of an increase in the volume of marriage license applications and the potential for additional costs stemming from the dissolution of marriages.

The Comptroller’s Office has not estimated the amount of these additional costs, although they are likely to be quite small. In 2004, federal statistics show that 130,800 marriages occurred in New York State, compared to the 82,000 additional weddings we assume would occur over three years due to legalization of marriage for same-sex couples. This would represent a 21 percent increase in marriage licenses issued over a three-year period, assuming that the 2004 figure is similar to other years. Similarly, the New York City-based marriages we have projected would create a 27 percent increase in marriage licenses issued by the City Clerk. This proportion is similar in magnitude to the monthly fluctuations in marriage license applications. With an annual budget of about \$4 million and 71 employees, the budgetary impacts on the City Clerk’s office are likely to be negligible.

In 2005, the New York State Supreme Court disposed of 47,914 uncontested matrimonial cases.<sup>16</sup> Of new cases that year, contested matrimonial cases totaled nearly 18,000. Badgett, Sears, and Ho<sup>17</sup> note that 1 percent of Vermont civil unions have been dissolved annually since 2000. Applying that percentage to our estimate of resident marriages following legalization would yield 260 dissolutions, or slightly less than one-half of one percent of the State’s uncontested cases. In addition, the costs of these dissolutions will be offset by a reduction in lawsuits stemming from property and custody disputes among unmarried same-sex couples. Therefore, the Comptroller’s Office expects there to be no net impact on the court system stemming from legalization of marriage for same-sex couples. □

<sup>16</sup> State of New York, Twenty-Eighth Annual Report of the Chief Administrator of the Courts for Calendar Year 2005.

<sup>17</sup> M. V. Lee Badgett, R. Bradley Sears and Deborah Ho, “Supporting Families, Saving Funds: An Economic Analysis of Equality for Same-Sex Couples in New Jersey,” *Rutgers Journal of Law and Public Policy*, 4:1, Fall 2006.