

Trans people, well-being, and labor market outcomes

Transitioning across gender is related to greater life and job satisfaction but also affects acceptance in one's society

Keywords: trans, transitioning, mental health, job satisfaction, discrimination

ELEVATOR PITCH

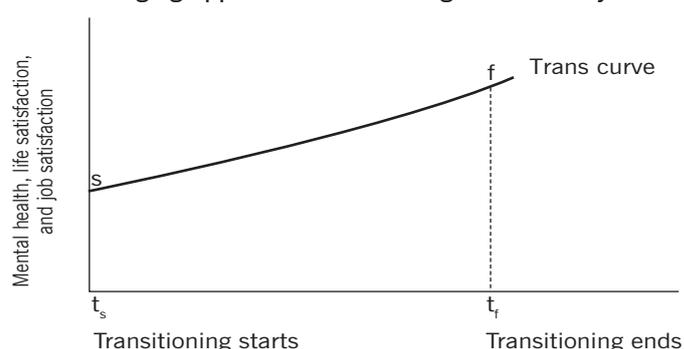
Acceptance of one's gender identity and congruence between one's gender identity and outward appearance are associated with less adverse mental health symptoms, and greater life and job satisfaction. However, trans people are subject to human rights violations, hate crimes, and experience higher unemployment and poverty than the general population. Trans people often feel that they are citizens who are not allowed to be themselves and practice their authentic identity. Many biased treatments of trans people could be attenuated if legal protections and inclusive workplace practices were in place.

KEY FINDINGS

Pros

- ⊕ Acceptance of one's trans identity is related to personal growth and resilience.
- ⊕ During and after transitioning, trans people experience better mental health, and greater life and job satisfaction than before transitioning.
- ⊕ Supportive workplace environments are related to greater disclosure of a trans identity, job satisfaction, affective commitment, and lower job anxiety.
- ⊕ Becoming a man is related to a small rise in earnings.
- ⊕ Trans employees, after having reached the point of passing, do not generally experience the bullying and harassment to which they were subjected before transitioning.

Gains in mental health and life and job satisfaction from changing appearance to match gender identity



Source: Author's own compilation to present patterns evaluated in [1].

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Cons

- ⊖ Trans people are exposed to extremely high levels of violent assault (and even murder) just for being who they are.
- ⊖ Trans people face higher poverty and homelessness, higher unemployment, and lower incomes as compared to non-trans people.
- ⊖ More than half of the EU member states require by law that trans people undergo sex reassignment surgery before their gender identity is officially recognized.
- ⊖ More than half of the US states do not prohibit gender identity discrimination at work.
- ⊖ Becoming a woman is related to a fall in earnings.

AUTHOR'S MAIN MESSAGE

Although transitioning is suggested to be a liberating process that positively affects mental health as well as life and job satisfaction, trans people regularly lack societal validation and are subject to multifaceted exclusions. Trans people should be able to change gender identification on official documents without having to undergo sex reassignment surgery. This policy would minimize employment and societal exclusions for those who are not keen, ready, or financially able to undergo such a surgical procedure. Explicit legal employment protections against discrimination on the grounds of gender identity should become mandatory.

MOTIVATION

In the EU and the US there is a growing population of trans people who start their transition in order to shape a sense of authentic identity. Greater progress in the gender transition process is related to fewer mental health problems as well as greater life and job satisfaction [1], [2], [3]. Feelings of relief and personal progress after transition are referred to by trans employees, with many utilizing expressions such as “fulfilling,” “free,” and “empowering” to evaluate their post-transition emotional condition [2], [3]. However, due to transphobia, trans people are exposed to extremely high levels of bias [4]. Trans people often feel that they are not what they say they are; they are what their identification (ID) documents at birth say they are [4]. Due to lack of acceptance, a high incidence of harassment, and significant levels of employment exclusion, trans people are more likely to be affected by worse mental health problems and poverty than the general population [1], [3].

Key definitions for understanding gender identity

Cis refers to people who have a gender identity that matches the sex that they were assigned at birth.

Gender is the state of being a man or woman, and is typically used with reference to social and cultural differences rather than to sex.

Gender dysphoria refers to trans people’s feelings of distress because of the mismatch between their sex and their gender identity.

Gender identity is defined as an internal and personal conception of oneself as a man or woman.

Gender non-conforming is a gender expression by a person that does not match masculine and feminine gender norms.

Passing refers to the transitioning stage where a trans person can move through the world without anyone suspecting that they are trans.

Sex refers to the biological differences between men and women.

Trans refers to people who have a gender identity that differs from their assigned sex.

Trans men refers to women who become men.

Trans women refers to men who become women.

Transitioning refers to the process of changing outward appearances to accord with gender identity. Transitioning might, but does not always, involve medical treatment.

Transphobia refers to dislike of and/or prejudice against trans people.

DISCUSSION OF PROS AND CONS

Mental health, life, and job satisfaction

Trans people have a gender identity that differs from their assigned sex; this differentiates them from so-called cis people [3]. People with gender dysphoria suffer from feelings of psychological discomfort related to their biological sex and their belief that they belong to the opposite sex and gender [1], [3]. Trans people who align their inner gender identities with their outward appearance are found to experience a significant relief from gender

dysphoria [2], [3]. This process, called transitioning, is found to be related to reduced depression and anxiety symptomatology as well as less psychological distress [2], [3]. A current review that looks at 38 cross-sectional and longitudinal studies on trans people indicates that levels of psychopathology and psychiatric disorders reduce with transitioning and, in many cases, reach normative values [3]. Positivity toward life, extraversion, the ability to cope with stress, and optimism about the future are all positively affected by transitioning; these factors all shape one's mental health status [1], [3].

The main benefits trans people associate with being trans and accepting their gender identity are: personal growth and resiliency, improvements in their relationships with others, and being inspired to engage in social justice causes [5]. Transitioning is found to be related to greater life satisfaction [1], [2], [6]. This pattern is attributed to the factors that shape one's life satisfaction, such as body satisfaction, appearance, self-esteem, identity and interpersonal functioning, achievements in life, spirituality, and social relationships, which are found to be positively affected by transitioning [1], [2], [3], [5], [6].

In addition, transitioning is found to be positively associated with job satisfaction [1], [2], [7]. Transitioning is related to better communication and negotiation skills, better self-organizational skills, and an innovative, constructive approach to problem-solving [1], [2], [7]. Workplace colleagues find that after transition, trans people are more loyal, helpful, productive, more approachable, and more gregarious [1], [7]. From a labor economics point of view, it is suggested that due to transitioning, the aforementioned core productivity traits may enhance trans employees' job satisfaction [1]. Being open about one's trans identity and coming closer to a desired outward appearance that matches one's gender identity relieves the stresses of having to constantly hide who one is; in turn, this may promote genuine and satisfactory relationships with co-workers and supervisors [1], [7]. Approaching (transitioning to) the desired sex may allow trans employees to focus and enjoy their work more [1], [7]. Traits such as optimism, happiness, internal control, and self-esteem coming from transitioning could enable trans employees to overcome challenges at work, and to perceive their job as more fulfilling and satisfying [1]. A positive mood might induce trans people to spend more of their time on more creative tasks, and positive emotions might influence the capacity for innovation, thereby improving performance and workplace evaluations [1]. Moreover, after having reached the point of passing—the point at which a trans person is correctly recognized as the gender that they identify as, and, additionally, not identified as trans by others—trans people typically do not experience the bullying and harassment to which they were subjected before, further positively affecting their job satisfaction [1], [6].

Among trans employees, a trans-supportive workplace climate is related to greater disclosure of identity in the workplace, job satisfaction and affective commitment, and lower job anxiety [1], [2], [4], [6], [7]. Trans people might become most happy and productive if they can contribute their time and energy to societies and workplaces that accept their existence and welcome their labor contributions [1].

The trans curve

As seen in the illustration on page 1, the trans curve (TC) presents positive relationships between transitioning, mental health, life satisfaction, and job satisfaction [1]. Point t_s , on the horizontal axis, denotes the time or stage at which transitioning starts. Point t_p on

the horizontal axis, denotes the time or stage at which transition ends. The vertical axis presents the mental health (MH), life satisfaction (LS), and job satisfaction (JS) constructs. As informed from the international literature [1], [2], [3], [5], [6], TC demonstrates that trans people experience positive MH, LS, and JS advancement during transitioning (as represented by the comparison between point s and points lying in the s to f section on TC) and as a result of transitioning (as represented by the comparison between points s and f on TC). The MH, LS, and JS constructs consist of different indicators, and different scales are used for quantification [1]. The three corresponding curves should not coincide in practice, although all are characterized by a positive slope.

Acceptance of one's trans identity is supposed to either precede or coincide with the initiation of transitioning. Based on empirical observations, positive MH, LS, and JS advancement appears even at the stage of acceptance of one's trans identity [1], [5]. What constitutes the end of the transitioning process is subjective, and varies from person to person [1]. The end of transitioning is a broad concept, which might entail alignment between gender identity and outward appearance, with or without medical/surgical interventions, and/or changes in identity documents, and/or successful passing [1].

Attention should be paid to the range of factors affecting the information represented by the horizontal and vertical axes in the illustration on page 1. Factors affecting the acceptance of one's trans identity and the duration of transitioning (horizontal axis) are, among others: inner and personal decisions and desires; family, network, and institutional support; and financial budgets [1]. Factors affecting trans people's MH, LS, and JS (vertical axis), apart from the usual demographic and socio-economic characteristics, should include, among others, the degree of inclusiveness in societies and workplaces [1]. Furthermore, it is expected that reciprocal effects between MH, LS, and JS exist [1]. The causal relationships among MH, LS, and JS therefore represent an enduring question in the social sciences. In all cases, empirical investigation is required to evaluate how the aforementioned factors mediate and moderate the relationships which are present.

Wages: Trans men

In the literature, two studies have focused on trans men and earnings. Some very small positive effects are observed. The first study shows that becoming a trans man in the US brings a small increase in hourly earnings of about 1.5% [8]. The second study, utilizing Dutch data, shows that becoming a trans man increases annual earnings by approximately 7% [9]. However, the increase is statistically insignificant. Both studies suggest that becoming a man might bring an increase in respect and authority that could affect job rewards [8], [9].

Biases against trans people

Myths about transition regrets dominate the media and society. Misrepresentation of scientific results on transitioning creates a biased environment against trans people. Although the vast majority of studies find that transitioning improves quality of life, information is regularly fabricated advocating against transition-related care. In relation to trans employees, suggestions that workplace gender transitions will be uniformly

stressful are often part of a biased rhetoric that misses the nuanced experiences of many people [2]. Misrepresentation of scientific results on transitioning is believed to enhance transphobia in societies [1].

Between 2008 and 2016 the number of murders of trans people globally increased by 96% [10]. In 2016, the number of reported murders of trans people in the US reached its highest level since 2008 [10]. These statistics might demonstrate a pattern of transphobia. Acts of violence and harassment infringe the right to life, the right to respect for physical and mental integrity, and therefore human dignity.

Several international studies have shown that marginalized and vulnerable trans people suffer from depression, anxiety, and self-harm; they experience suicidal thoughts related to the lack of societal validation, rejection from family and social environments, years of transphobic experiences, and lack of appropriate health service provision [4], [11]. In the US, it has been found that trans people face twice the unemployment rate of the general population, and 15% of trans people have household incomes under \$10,000 per year, compared to just 4% of the general population [12]. These findings are particularly striking when it is considered that many studies observe that trans people are more educated than the general population [7], [12].

Less than half of US states prohibit gender identity discrimination at work, and only 22 EU member states have explicit legal employment protections against gender identity discrimination [10]. The workplace is one of the most likely places for trans discrimination to occur. Lack of workplace help, understanding, and support for trans people can lead to biased treatment [4], [11]. Trans employees are reported as having been outed by others, being deliberately called by a former name or gender pronoun, being fired or denied a job, physically threatened, or emotionally abused [4], [11]. There have been cases where employees have been made redundant because firms did not want a trans person to be the public face of the company [6]. In the US, a study from the National Center for Transgender Equality reports that 90% of trans or gender non-conforming people reported experiencing harassment or mistreatment at their place of work [13]. Of these individuals, 47% indicated that because of their trans or gender non-conforming identities, they had experienced a negative job outcome, including being fired, not hired, or denied a promotion [13]. In addition, the study states that 71% of trans employees attempted to hide their gender transitions and 57% delayed their transitions to avoid workplace discrimination [13].

Similarly, EU surveys demonstrate that over one in three trans people are discriminated against because of being trans when looking for a job (37%), and a quarter (27%) reported discrimination at work [11]. The reports show that trans women are more negatively affected by employment discrimination than trans men [11]. Also, only very small numbers of trans people reported the most recent incident of discrimination against them to the relevant authorities [11]. More than three in five trans people did not report discriminatory incidents because they were convinced that nothing would happen or change if they did, and half of them because they thought such incidents were not worth reporting [11].

The biased climate in relation to trans people in the US and the EU pervades multiple facets of life, including education, health care, and access to credit. As a result, trans people's integration and well-being suffer [11], [12]. Due to these factors, some trans people are

forced into prostitution as the only way to survive [12]. These patterns highlight how trans people's employment life is negatively affected by transphobic actions. Societal discrimination prevents trans people from being able to enjoy the right to respect for their private lives, which encompasses the right to express one's identity in all areas of life [11], [12].

Wages: Trans women

Transitioning is found to negatively affect wages for trans women. A study that utilizes US data suggests that becoming a trans woman brings a reduction in hourly earnings of about 32% [8]. Also, an EU study, based on Dutch data, shows a reduction in annual earnings, on the order of 23% [9]. This finding is in line with qualitative evaluations that show that trans women's transitions often bring a loss of masculinity that entails loss of authority and leadership, and initiates a new period of harassment and biased treatment [8], [9]. On the other hand, as previously presented, becoming a trans man might positively affect wages. A masculine identity might entail an increase in dominance and leadership, traits that are rewarded in the labor market [8], [9].

Identity documents

Trans individuals experience employment challenges and severe exclusions when they are unable to obtain identity documents that reflect their gender identity. Biased treatments are observed during selection and promotion processes when people dress and live as one sex even though they were born as another. Unfortunately, in many countries, trans people can change their ID documents only after undergoing sex reassignment surgery [12]. However, a large part of the trans community is not keen on surgically reassigning their sex. They are happy to live, experience, and celebrate their gender identity without surgical procedures. Having to choose between sex recognition and potential sterilization, which occurs in sex reassignment surgeries that include genital reconstruction, is a human rights violation. In 2016, 23 countries in Europe (13 of them in the EU) required by law that trans people undergo sterilization before their gender identity can be recognized. Other requirements in place globally include the diagnosis of a mental disorder (36 countries), medical treatment (30 countries), and a single civil status (22 countries). Such requirements violate trans people's dignity, physical integrity, right to found a family, and their right to be free from degrading and cruel treatment [10]. Similarly, laws vary from state to state in the US, with many requiring sex reassignment surgery in order for a trans person's gender identity to be legally recognized. Often, such surgeries are beyond the financial means of trans people, who usually do not have health insurance plans that cover sex reassignment surgeries. Moreover, transitioning through sex changing surgical procedures is likely to require a significant amount of time. During transitioning, trans people are vulnerable to societal exclusion and biased treatment. For all these reasons, there should be no sex reassignment requirement related to the ability to change official ID documents.

LIMITATIONS AND GAPS

Several problems lie in the continuing lack of information about trans issues. The public, media, social planners, and employers lump trans issues in with sexual orientation, and this has nothing to do with gender identity. A trans person may be straight, lesbian, gay, or bisexual [1]. The experiences, the nature of the bias, and the corresponding policy

actions differ between trans people and sexual orientation minority groups. There is a need for education on the aforementioned differences, and on the approaches required to deal with the needs of each population group. Also, the interaction between gender identity and sexual orientation and its effect on people's lives requires additional focus and research-informed policies.

In studies, researchers often treat trans people and gender non-conforming people as belonging in the same category. However, each category captures a different population group [1]. Gender non-conforming people are those who do not identify as either male or female all the time. And there are lots of subsections in the gender non-conforming community—people might be, for instance, gender fluid, bi-gender, or agender. Grouping all these people into a single category introduces bias. Research studies should clarify their target population, and topical questions should capture the distinction between trans and gender non-conforming people.

Furthermore, representative data sets on trans people rarely exist. The lack of representative data sets means that robust research is rarely conducted. Only lately has research on trans identity started to appear. Internationally, trans people's experiences are not well examined and the struggles they experience due to harassment and exclusion are not well understood. In relation to employment data, there is a lack of representative information on trans employment rates and wages. Data sets that enable comparisons before, during, and after transitioning could shed light on the dynamics of employment rates, wages, workplace commitments, and evaluations. In addition, comparisons between trans and cis people would enable researchers to evaluate inequality and discriminatory patterns in relation to wage and employment outcomes. Furthermore, studies on employed trans people would help in clarifying their mental health and life satisfaction statuses. Most studies have examined the well-being of unemployed and vulnerable trans people. However, patterns for unemployed trans people might be different compared to employed trans people. Studies are also required that show how employment and income moderate and mediate the relationship between transitioning and the well-being indicators.

SUMMARY AND POLICY ADVICE

Policymakers should consider the establishment of programs that tackle minority stress, exclusion, and discrimination. If people are allowed to transition and smoothly integrate into society without harassment, they might turn out better adjusted. In order for trans people to have better access to job vacancies, to cope smoothly in employment, and to integrate into society, they should be able to change their sex on government ID documents without having to undergo sex reassignment surgery. Governments should approve legislation that would cancel the long-standing and cruel requirement that trans people provide proof of sex reassignment surgery before being able to legally change their sex [10]. In recent years, Malta, Ireland, and Norway have allowed trans people to change their sex by simply notifying the authorities, without any medical or government intervention. In addition, trans and gender non-conforming people should be protected from gender identity discrimination in the labor market by the government.

Anti-discrimination legislation and inclusive workplace environments are believed to reduce trans people's unemployment, income inequality, and poverty rates [1]. A progressive equality policy can enhance a company's reputation and improve employees' performance and productivity [1]. To improve employees' work-related attitudes and

experiences, firms might implement training programs that encourage individuals to be their true selves at work and simultaneously create work environments that promote greater acceptance of employees from different identity categories through awareness and inclusion initiatives. Firms that understand the business benefits of an inclusive workforce will recognize the need to respond to the differing requirements of all their employees. Firms should make it clear that there will be no concessions for managers, colleagues, or customers who act in a biased manner, as these behaviors reflect on the company. Firms should not refuse to hire and promote trans or gender non-conforming people, or refuse to step in if colleagues or customers are harassing an employee for being trans, nor should they fire trans people for being themselves. Firms should ensure that human resources (HR) departments have knowledge and awareness of trans-related issues. Management training concerning trans issues, mentoring schemes, and counseling support could positively affect trans employees' workplace experiences. Effective retention strategies addressing trans employees' needs would avoid costs to the organization resulting from job dissatisfaction, formal complaints, resignations, and tribunals.

In addition, a cooperative social dialogue between social planners, employers, and trans employee representatives would offer opportunities to develop HR policies at the organizational level to confront and eliminate trans bias in workplaces. Non-governmental organizations (NGOs) could petition firms to establish non-discrimination and trans-affirmative policies. Additionally, NGOs should work with medical and health insurance companies to ensure that the health care needs of trans people are being met. Trans issues have only recently become part of the ethical discourse and global patterns suggest that workplace behaviors are yet to adapt. However, an increasing section of society identifying as trans and gender non-conforming make swift adaptation imperative. An active trans population enjoying equal treatment in the labor market will be better able to help build the social and economic capital of their countries.

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Competing interests

The IZA World of Labor project is committed to the *IZA Guiding Principles of Research Integrity*. The author declares to have observed these principles.

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Further reading

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