

A Gay Wedding Windfall for New York

Same-sex nuptials are boosting sales for companies across the state



Florist Joe Rizzo says gay couples have snapped up his rainbow arrangements Rachel Barrett for Bloomberg Businessweek

By Esmé E. Deprez

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When the New York Senate voted to legalize same-sex marriage on June 24, Michael Watts rushed to celebrate at the Stonewall Inn in Manhattan, birthplace of the gay rights movement. The next morning, after a more sober assessment of the news, he bought advertisements in three gay publications for his catering business. “Congratulations New York! It’s time to start planning,” read the ads for Cocktail Caterers, the company Watts founded in 2005 with his domestic partner. Since then the company has received 50 inquiries about feeding nuptial guests, up from three in all of 2010. “People are realizing, ‘Hello, there’s a market in this,’” says Watts.

As thousands of gay couples have lined up to exchange vows in New York, they’ve been courted by florists, caterers, event planners, and other businesses trying to capitalize on the new market of same-sex brides and grooms. Even the Manhattan Clerk’s office, which issues marriage licenses, has

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started selling wine stoppers and coffee mugs adorned with two grooms or two brides in its gift shop. "There are no rules" with same-sex ceremonies, says David Beahm, who plans high-end parties, including the nuptials of Michael Douglas and Catherine Zeta-Jones in 2000. "Most grandmothers haven't been to a gay wedding."

New York may reap \$310 million over the next three years from license fees, taxes, and tourism related to same-sex weddings, according to a May report by four New York state senators. Morgan Stanley (MS) Chairman John Mack, Goldman Sachs (GS) Chief Executive Officer Lloyd Blankfein, and other Wall Street executives argue that legalization was necessary for the state to remain an economic leader. As other places "extend marriage rights regardless of sexual orientation, it will become increasingly difficult to recruit the best talent if New York cannot offer the same benefits and protections," the business leaders wrote in an open letter in April urging legalization of same-sex unions.

Joe Rizzo, who has owned Langdon Florist in Lower Manhattan for 28 years, predicts he'll provide flowers for about 125 weddings this year, up from the 100 or so he expected before the change in the law. Gay couples have snapped up rainbow-colored arrangements for the occasions, some of dyed roses, others a mélange of blossoms that span the spectrum from red gingers to yellow mums to purple gillyflower. The arrangements "hit it right on the nose ... as far as expressing gay pride," says Rizzo.

Sales quadrupled this summer at Hudson Grove, an online jewelry retailer named for the intersection of Hudson and Grove Streets in Manhattan's West Village, a historically gay neighborhood. Hudson Grove has long focused on sales to gays, and the company says this year's bump is due largely to increased sales of wedding and engagement rings such as a "tie the knot" series of interlocking gold bands. "A lot of stores are not gay-friendly," says co-owner Harold Steinbach. A wedding "is a special event. You want to be treated specially."

Bernadette Smith in September moved her wife, son, and wedding planning business from Boston to New York to capitalize on what she expects to be a same-sex marriage boom. She has been working in Massachusetts since 2004, when gay marriage became legal there, and claims her company, 14 Stories, is the first same-sex-wedding planner in the country. Smith, who typically organizes roughly 50 weddings a year, says she has received about 60 inquiries since the New York law's passage—more than triple last year's pace. She's busy scouting locations for high-end ceremonies in Manhattan, and she expects business to pick up considerably next year. "Couples who have been waiting a long time are not going to just throw something together," says Smith.

The economic boost extends beyond New York City. At the Helsinki Hudson, a 15,000-square-foot banquet hall and restaurant some two hours north of Manhattan, reservations for weddings and receptions have more than quadrupled since last year, says co-owner Marc Schafler. Since the law was passed, he says, bookings from gay couples have gone from "sporadic" to "part of the daily routine" at the converted 1860s mill. "We're not always motivated by the bottom line, but in this case the morally right thing also makes business sense," says Schafler. "It's a happy marriage."

The bottom line: *Legalized gay marriage could add \$100 million a year to New York's economy. Small businesses will get much of that windfall.*

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