

## **LGBTQ+ Americans Make Important Contributions to the Economy Despite Facing Unique Challenges**

Americans who identify as LGBTQ+ represent a rising share of the U.S. population and make critical contributions to the American economy. However, LGBTQ+ Americans face significant challenges from systemic discrimination and a growing wave of state legislation restricting their rights.

Legal recognition of marriage equality and broader cultural acceptance of some members of the LGBTQ+ community have allowed these Americans to openly play a larger role in the U.S. economy. However, continued structural bigotry leads to poorer health outcomes and greater economic insecurity, particularly for transgender Americans and LGBTQ+ people of color.

Most recently, this progress has [been threatened](#) by the Supreme Court's decision to overturn *Roe vs. Wade* and repeal the right to privacy which underlies fundamental legal protection for LGBTQ+ Americans. Additionally, states have proposed and enacted a rising number of policies that target and criminalize LGBTQ+ people.

The Biden administration has taken important steps to enforce anti-discrimination laws that protect LGBTQ+ Americans and expand health protections. At the same time, a lack of consistent and comprehensive data on the LGBTQ+ economic experience hampers a full understanding of the range of experiences across this broad and diverse population of Americans. Without better data, researchers and policy makers cannot clearly identify the barriers to economic security facing the LGBTQ+ community or take steps to address these challenges.

### ***LGBTQ+ Americans make important contributions to the economy***

An estimated 18.3 million Americans identified as LGBTQ+ in 2021. A recent Gallup poll found that 7.1% of American adults [identify](#) as LGBTQ+, double the share in 2012 and up from 5.6% in [2020](#). This growing population [spans](#) racial, ethnic and age groups, though young adults are notably more likely to openly identify as LGBTQ+. These estimates likely underestimate the true LGBTQ+ population because they do not include those who do not openly identify as such, often due to fear of violence, discrimination or other forms of bigotry.

Due to social stigma and a lack of comprehensive data, it is not possible to quantify the many contributions the LGBTQ+ community has made to the American economy. A 2015 [report](#) on businesses whose owners openly identified as LGBTQ+ found that they contributed \$1.7 trillion to the economy and created over 33,000 jobs, though these estimates are not comprehensive. Throughout the country's [history](#), LGBTQ+ Americans have made significant contributions to the economy. While much of the explicitly-LGBTQ+ economy was historically [driven underground](#), businesses have marketed goods and services to this community since the late

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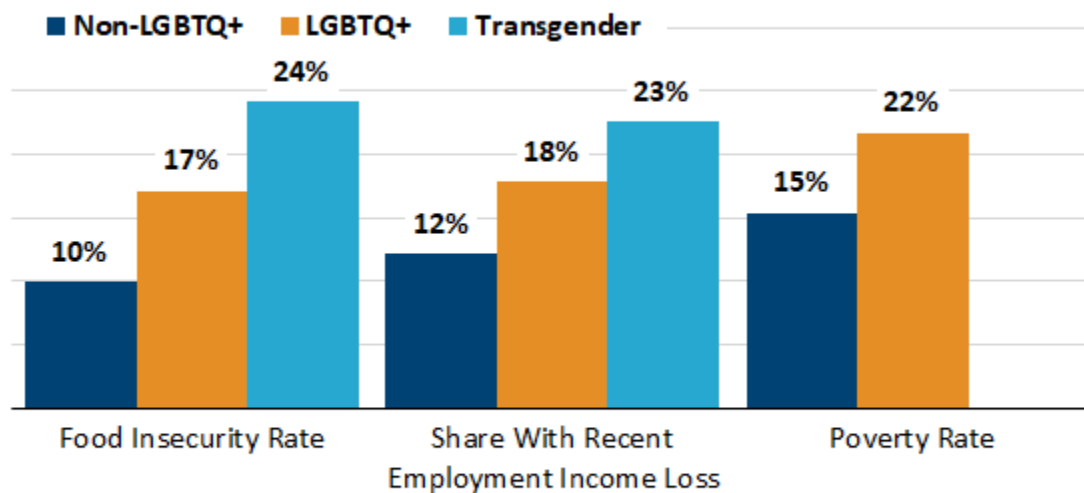
1800s and entrepreneurship by and for LGBTQ+ Americans significantly increased after World War II.

### *Structural discrimination has created economic instability for many LGBTQ+ Americans*

While an increasing number of [prosperous people](#) are openly LGBTQ+, [overall](#), LGBTQ+ Americans are disproportionately likely to face economic hardship. Due to historic and ongoing homophobia, transphobia and other forms of discrimination, LGBTQ+ Americans are [more likely](#) to live in poverty, be unemployed, lack health insurance and face food insecurity than non-LGBTQ+ Americans. The figure below highlights several of these disparities, though a lack of robust and reliable data on this community limits how much researchers know about their economic lives.

### **LGBTQ+ Americans Face Greater Economic Insecurity**

Share of Americans experiencing economic hardship



Source: Joint Economic Committee analysis of Household Pulse Survey Data and "Food Insufficiency Among LGBT Adults During the COVID-19 Pandemic," Williams Institute, UCLA, April 2022.

Note: Food insecurity and loss of employment income data refer to March-April 2022.

Poverty rate data refers to July-October 2021 and do not break out transgender data.



Discrimination against the LGBTQ+ community directly contributes to widespread economic insecurity and harmed the broader economy. Nearly half of LGBTQ+ workers report experiencing [workplace discrimination](#) and more than one in ten transgender Americans report being [evicted](#) from their homes because of their gender identity. Disruptions to [employment](#) and [housing instability](#) have both been shown to have long-term impacts on an individual's career. This discrimination also harms the broader economy, lowering employee engagement and retention at non-inclusive firms. In 2016, one report [estimated](#) that turnover due to LGBTQ+ discrimination cost American employers between \$5,000 and \$200,000 per departing employee.

The Supreme Court's [decision](#) in *Bostock v. Clayton County* in 2020 ruled that Title VII of the Civil Rights Act prohibits employment discrimination on the basis of sexual orientation or gender identity, which built on prior [federal efforts](#) to extend employment discrimination protections to the LGBTQ+ community. On his first day in office, President Biden issued an

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[executive order](#) making clear that *Bostock*'s reasoning clearly applied to all other civil rights laws that prohibit sex discrimination and his administration has taken numerous steps to ensure those laws are enforced to protect the LGBTQ+ community from discrimination.

Despite these major steps forward, LGBTQ+ Americans continue to [face unique barriers](#) to economic prosperity, including rejection from family members, safety concerns and worse health outcomes. For example, lesbian, gay and bisexual Americans are more than twice as likely to have a [mental health condition](#) as heterosexual adults, and transgender Americans are more than four times as likely to have a mental health condition than those who do not identify as transgender. This heightened risk of mental health [conditions](#) is the [result](#) of discrimination, societal rejection and feelings of isolation among LGBTQ+ Americans. The LGBTQ+ community also faces poorer physical health outcomes, including higher rates of [HIV/AIDS](#), lower rates of [health insurance](#) and challenges accessing culturally-competent care. In addition to the human cost, these challenges [limit](#) economic growth by reducing educational achievement, labor force participation and workforce productivity.

### *Anti-LGBTQ+ state laws and continued discrimination leave transgender Americans especially vulnerable*

Conservative state legislators have proposed hundreds of anti-LGBTQ+ bills in recent years and are increasingly targeting transgender Americans. The year 2021 saw the [highest number](#) of enacted anti-LGBTQ+ state laws in recent history, with over half of the new laws explicitly targeting transgender Americans. Florida's recent HB 1557 that bans educators discussing their sexual orientation, referred to as the "Don't Say Gay or Trans" bill, also prevents any discussion of gender identity. Alabama passed a bill [criminalizing](#) gender-affirming health care for transgender youths, and Governor Greg Abbott in Texas has instructed state child welfare officials to [investigate](#) gender-affirming care as child abuse. Outside of these enacted laws, more than 340 anti-LGBTQ+ bills have been proposed in state [legislatures](#) in 2022, including at least 125 explicitly targeting [transgender](#) people.

Laws that target and criminalize LGBTQ+ Americans, especially transgender Americans, create economic insecurity by excluding them from fully participating in public life. As noted above, transgender Americans are disproportionately low-income, even compared to other LGBTQ+ Americans. They were almost 2.5 times as likely to experience [food insecurity](#) during the pandemic, in part because they were far more likely to face other barriers such as lack of transportation and safety concerns in addition to affordability. Nearly 40% of transgender students faced bullying, harassment or assault when seeking [higher education](#), creating a barrier to academic success.

Despite incomplete data, it is clear that transgender Americans are also significantly more likely to experience [homelessness](#). This instability and the threat of violence make it significantly harder for transgender adults to be employed and only compounds widespread employment discrimination. Overall, [transgender adults](#) are twice as likely to be unemployed and earn 32% less, even when controlling for education.

Policies that target and criminalize transgender people will endanger their health and safety by increasing economic insecurity and social stigma. Transgender people were already

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disproportionately at risk of [deadly violence](#), in part due to the high number of unsheltered transgender people, violent transphobia and those working dangerous, low-paying jobs in order to survive.

Along with these personal impacts, passing these transphobic state laws comes with severe and widespread economic costs. North Carolina’s “bathroom bill” HB-2 will cost the state an estimated [\\$3.76 billion](#) in lost economic activity by 2028, and similar backlashes could spread to other states that have passed recent legislation. Higher rates of suicide and anti-transgender violence also harm economic growth; by one [estimate](#), homicides and suicides cost American society nearly \$200 billion and \$81 billion respectively in 2019. Even the fear of violence slows economic growth, as people become afraid to fully participate in society. On the other hand, greater inclusion of transgender people in the workplace could boost annual consumer spending by an [estimated](#) \$12 billion a year.

The Biden administration has [taken action](#) to combat rising transphobia by enforcing federal nondiscrimination laws that prevent transgender Americans from being fired or evicted due to their gender identity. The administration is also addressing the root causes of transgender economic insecurity by increasing access to gender-affirming health care and federal benefits.

### *LGBTQ+ people of color face unique challenges and worse economic outcomes*

Despite the fact that [Black transgender women](#) and other LGBTQ+ people of color have been at the forefront of American LGBTQ+ activism since the beginning, LGBTQ+ people of color face racism from within the LGBTQ+ community at the same time that they face homophobia, biphobia and transphobia from broader society. The intersection of these forms of discrimination means that Black and brown LGBTQ+ people are more [economically vulnerable](#) than their white LGBTQ+ peers and their heterosexual peers of color.

For example, nearly half of LGBTQ+ people of color live in low-income households, compared to just over a third of white LGBTQ+ people. Similarly, the unemployment rate for LGBTQ+ people of color is a third higher than it is for white LGBTQ+ people, and they are 1.5 times more likely to face food insecurity. Black, Hispanic, American Indian/Alaska Native and Native Hawaiian/Pacific Islander LGBTQ+ people are most likely to face economic hardship.

### *Better data is needed to understand and improve LGBTQ+ Americans’ economic situation*

A lack of official data [significantly impairs](#) economic analysis of the LGBTQ+ community, rendering the community’s unique challenges invisible and preventing policymakers, advocates and others from effectively combating economic insecurity. Where public data exists, it does not capture the full diversity of the LGBTQ+ population. For example, the [Census Bureau](#) publishes data on the number of same-gender couples living together, but does not ask about sexual orientation or gender identity, erasing the many LGBTQ+ Americans who are not living together in a same-gender relationship. While a [range of private surveys](#) exist, data are not reported consistently.

The Biden administration has taken important steps to improve data on the LGBTQ+ community, including adding questions to the [Household Pulse Survey](#) and proposing the

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addition of questions to the [American Community Survey](#). Congressional Democrats are also working to expand data collection through the House-passed [LGBTQI+ Data Inclusion Act](#), which would require all federal surveys to include voluntary questions on sexual orientation, gender identity and variations in sex characteristics. While these additional questions would not capture the experiences of closeted LGBTQ+ Americans, they represent an important step forward and enable policymakers to better identify—and solve—the challenges facing this community.

In addition, the Senate should pass the [Equality Act](#), which the House passed in 2021. The Equality Act would explicitly prohibit anti-LGBTQ+ discrimination in key areas of life, including employment, housing, public accommodations, federally funded programs, education, credit, and jury selection. Strengthening the social safety net would also significantly improve the economic security of LGBTQ+ Americans. For example, expanding [housing vouchers](#), closing the [Medicaid](#) coverage gap, strengthening [unemployment insurance](#), increasing the Earned Income Tax Credit ([EITC](#)) for workers without children and expanding Supplemental Security Income ([SSI](#)) would be especially impactful for the many LGBTQ+ Americans who face housing insecurity, poor health outcomes, unemployment and poverty.