

LGBTQ Inclusion: Good for Families, Communities, and the Economy



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Marguerite Casey Foundation exists to help low-income families strengthen their voice and mobilize their communities in order to achieve a more just and equitable society for all.

Overview

The face of America is changing: more than half of Americans under age five are of color, and by 2044 we will be a majority people-of-color nation. But while communities of color are driving growth and becoming a larger share of the population, inequality is on the rise and racial inequities remain wide and persistent. Dismantling racial barriers and ensuring that everyone can participate and reach their full potential are critical for the nation's prosperity. Equity—just and fair inclusion of all—is essential to growing a strong economy and building vibrant and resilient communities. This issue brief describes the importance of ensuring the economic inclusion of LGBTQ (lesbian, gay, bisexual, transgender, queer/questioning) people.

Why LGBTQ Inclusion Matters

The landmark *Obergefell v. Hodges* U.S. Supreme Court decision granting same-sex couples the freedom to marry nationwide came at a time of shifting public opinion around LGBTQ identities. In the past 10 years, public support for same-sex marriage grew by more than 20 percentage points; in 2015 well over a majority (57 percent) of Americans supported it.¹ Yet many LGBTQ people, particularly transgender people and people of color, face persistent structural barriers in the workplace and beyond. With recent “religious liberty” challenges to same-sex marriage and a growing number of obstructive and discriminatory laws limiting access to public accommodations for transgender people, it is clear that equity requires LGBTQ inclusion. The lack of uniform legal protections results in reduced opportunities for LGBTQ people, limiting their ability to thrive as fully enfranchised members of society and ultimately hurting the economy as a whole.

While there is no census data on sexual orientation or gender identity, an estimated nine million adults—about 3.5 percent of the total adult population—identify as lesbian, gay, bisexual, transgender, or queer (LGBTQ).² Because there are LGBTQ people from all different racial/ethnic backgrounds and in every

occupation, targeted policies increasing LGBTQ economic inclusion must address the multiple layers of discrimination faced by LGBTQ people of color in particular.

LGBTQ people often face discrimination in labor markets and housing, as well as from their own families, schools, and communities. Nearly one in four older LGBTQ people of color report experiencing housing discrimination.³ Up to 40 percent of the 1.6 to 2.8 million young people who experience bouts of homelessness each year in the United States⁴ self-identify as LGBTQ and many of them have experienced familial rejection, poverty, and trauma.⁵ Extreme marginalization pushes some LGBTQ people out of the formal economy completely. A study on survival sex among LGBTQ young people found that most of the reasons youth reported for selling sex related to survival and obtaining basic necessities such as food and shelter.⁶

LGBTQ people are an integral component of the country’s population and workforce. Yet, they face widespread discrimination at work and in many other realms of society. Removing barriers to employment and ensuring that all LGBTQ individuals have the opportunity to achieve economic security will help communities and families thrive while also contributing to economic growth.

LGBTQ Inclusion and Workplace Equity

Same-sex marriage is now legal in all 50 states, but 28 states still provide no protections for LGBTQ workers from discrimination.

42%

Share of LGB workers who report experiencing some form of employment discrimination

\$0

The cost associated with implementing non-discrimination policies, according to 67% of small businesses

90%

Share of transgender workers who report harassment, mistreatment, or discrimination on the job

\$64 Billion

The annual cost of losing and replacing workers who leave their jobs due to unfairness or discrimination

Sources: [The National Gay and Lesbian Task Force](#); [Center for American Progress](#); [Center for American Progress](#)

The Economic Benefits of LGBTQ Inclusion

In an increasingly knowledge-based economy, urban economists uplift the role of tolerance in driving economic growth because talented, high-skilled workers are drawn to diverse cities.⁷ Centering the needs of the historically marginalized within the LGBTQ community—namely LGBTQ people of color, LGBTQ homeless youth, and women—ultimately extends the greatest benefits to the broader economy. Because of data limitations, measuring the economic impact of full LGBTQ inclusion is difficult, but research shows that removing barriers to employment increases labor market participation, which in turn generates more economic benefits, such as those described below.

- **Increased economic activity.** More participation in the formal economy translates to an increase in the number of taxpayers; such growth is directly reflected in more consistent wages and higher local, state, and federal tax revenues. Reducing workplace discrimination could save businesses up to \$64 billion each year, which could then be redirected toward productive economic activity.⁸ Research has also shown that emerging economies that are more inclusive of LGBTQ people have higher levels of GDP, even after controlling for other factors that affect GDP growth. Each additional right specifically protected for LGBTQ people is associated with a per capita increase in GDP of \$320—roughly 3 percent of average economic output.⁹
- **Increased public savings.** Keeping youth in school and adults out of prison will better prepare them for successful careers and more economically stable families and communities. Investing in safe and supportive housing for LGBTQ young people is a cost-saving approach. The cost of moving a homeless youth from the streets into safe housing is only one-tenth of the cost of maintaining a young person in the criminal justice system for one year.¹⁰
- **Workforce stability.** Workplace unfairness causes twice as many gay men and women as straight White males to leave their jobs. Reducing discrimination- and exclusion-related employee turnover can save employers replacement costs of \$5,000–\$10,000 per hourly worker and \$75,000–\$211,000 for an executive with a \$100,000 salary.¹¹ In addition, 43 percent of LGBTQ workers reported that they would have stayed with a former employer if they had been offered better benefits, compared to just 19 percent of straight workers.¹²
- **Healthier, more productive workers.** When transgender people have uninterrupted access to gender-affirmative health care, their increased likelihood of physical and mental health issues diminishes.¹³ With better life-sustaining and consistent care, more transgender Americans can lead healthy and productive lives with fewer negative health outcomes and lower health-care costs. Businesses that promote LGBTQ inclusion report higher levels of employee satisfaction and lower turnover rates.¹⁴ Moreover, LGBTQ youth represent up to 40 percent of homeless youth in general. Ensuring that they have stable employment opportunities can help them participate, prosper, and reach their potential.

Key Challenges to LGBTQ Inclusion

For LGBTQ people, economic insecurity and workforce exclusion are due in part to discrimination from multiple sources including employers, families, communities, health-care providers, social service agencies, and law enforcement. School and workplace discrimination, poverty, poor access to health care, and the marginalization of homeless youth all contribute to precarious economic circumstances for LGBTQ people.

- **Widespread poverty.** Same-sex couples experience higher poverty rates than different-sex couples. Female same-sex couples and same-sex couples of color are the most impacted because of persistent gender and racial inequities in pay.¹⁵ Older lesbian couples are nearly twice as likely to experience poverty as older heterosexual couples.¹⁶ In a national survey, transgender respondents were nearly four times more likely to have a household income of less than \$10,000 a year compared to the general population.¹⁷ Young LGBTQ people of color (ages 18-24) experience poverty at twice the rate of the general youth population.¹⁸ As LGBTQ youth continue to “come out” at earlier ages (13-15, on average), the effects of poverty and homelessness become even more exaggerated over time, resulting in poor educational outcomes and barriers to secure employment.
- **Persistent discrimination in housing and social services.** Older LGBTQ people of color report higher rates of discrimination in housing markets than non-LGBTQ people of color.²⁰ The National Transgender Discrimination Survey found that one in five respondents were refused a home or apartment and more than half who tried to access a homeless shelter were harassed by shelter staff or residents.²¹ In addition, many health insurance plans, including several state Medicaid programs, specifically exclude transgender health-care coverage.²²
- **Hostile school environments.** According to the 2013 National School Climate Survey, 85 percent of LGBTQ students reported being verbally harassed at school in the past year and 35 percent reported avoiding sex-segregated spaces because they felt unsafe or uncomfortable. Moreover, almost one in three LGBTQ students reported missing at least one day of school because they felt unsafe or uncomfortable.²³ LGBTQ young people, particularly gender-nonconforming girls, are up to three times more likely to be stopped by the police and to experience harsh disciplinary treatment by school administrators than their heterosexual

counterparts.²⁴ The fact that suspensions lead to a higher likelihood of involvement in the juvenile justice system is well documented in the literature on the “school-to-prison pipeline.”

- **Unjust treatment of incarcerated LGBTQ people.** Incarcerated, transgender people are often housed according to the sex they were assigned at birth, and some detention facilities automatically place transgender detainees in solitary confinement “for their own safety.”²⁵ In confinement, LGBTQ people, particularly transgender women, report significantly higher rates of verbal, physical, and sexual assault.²⁶ Congressionally mandated quotas for U.S. Immigration and Customs Enforcement detention centers have resulted in disproportionately longer stays for LGBTQ detainees.²⁷ LGBTQ people with records have a harder time accessing housing, employment, and other services when reentering society because of continued discrimination against formerly incarcerated people by private employers and even social service agencies such as public housing authorities. Lack of support, exposure to trauma, and limited LGBTQ-inclusive reentry programs contribute to higher rates of recidivism for formerly incarcerated LGBTQ people.

Strategies for LGBTQ Inclusion

In addition to federal-level protections, there are many actions that states and cities can take to support LGBTQ residents and ensure their full inclusion.

- **Non-discrimination policies that include actual or perceived sexual and gender identity.** President Obama’s executive order of April 8, 2015, extended protections from workplace discrimination to all LGBTQ employees of federal contractors, affecting an estimated 28 million workers nationwide.²⁸ Similarly, federal agencies like the United States Department of Agriculture have issued non-discrimination rules providing explicit protections for perceived or actual gender identity or presentation for all employees of companies that contract with them.²⁹ The federal Equality Act has the potential to offer the broadest slate of protections for LGBTQ workers across the nation.

- **Anti-poverty legislation and targeted economic policies.** Because LGBTQ people and families experience disproportionately higher rates of poverty, supporting local, state, and federal anti-poverty policies (like increasing the minimum wage, expanding the Earned Income Tax Credit, and investing in early-childhood education) also increase the economic opportunities of LGBTQ people.³⁰ Targeted policies that address the particular needs of transgender people and LGBTQ people of color are also important. Chicago House’s Transworks Employment Program provides one-on-one career counseling to transgender people and provides trainings for employers on how to create LGBTQ-inclusive work environments.
- **Laws that protect transgender students in public schools.** California’s 2013 School Success and Opportunity Act (AB 1266), the first of its kind in the country, requires that California public schools respect students’ gender identities and ensures students can participate in all sex-segregated school activities, sports teams, programs, and facilities based on their gender identity.³¹ The federal Student Nondiscrimination Act would prohibit discrimination on the basis of gender identity or sexual orientation against any student in a public school that receives federal funding.³²
- **Ending unjust treatment of incarcerated LGBTQ people.** Because LGBTQ inmates, especially transgender inmates, are placed in solitary confinement at much higher rates than the general prison population, laws prohibiting and limiting the use of solitary confinement benefit incarcerated LGBTQ people. Following a class-action lawsuit, New York became the largest prison system to remove youth, pregnant inmates, and developmentally disabled and intellectually challenged prisoners from punitive segregation and to set a limit on isolation-sentence lengths. Similarly, California SB 124 seeks to limit the use of solitary confinement in juvenile detention, but these efforts do not address the LGBTQ community specifically. Future legislation should mandate that transgender inmates be assigned to facilities matching their gender identity and ban punitive segregation based solely on safety concerns associated with sexual orientation, gender identity, or presentation. Training correctional officers in trauma-informed and culturally competent care is also key to ending the unjust treatment of LGBTQ people.

- **Investment in more LGBTQ-inclusive health care and social services.** Vermont is one of a handful of states that cover transgender health care through their state Medicaid programs and prohibit private insurers from excluding coverage of gender dysphoria treatments. The nation’s first adult shelter specifically for LGBTQ people, Jazzie’s Place in San Francisco, divides its 24 beds into three sections: one for men (both cisgender and transgender), one for women (both cisgender and transgender), and one for those who do not identify with either gender.³³ For the vast majority of shelters that are not LGBTQ-specific, a third section for transgender and gender-nonconforming people can be both stigmatizing and dangerous, so assigning transgender people to facilities based on their gender identity is crucial. The Transgender, Gender Variant, and Intersex Justice Project (TGIJP) provides wraparound supports for formerly incarcerated transgender people and advocates for more inclusive shelter practices in San Francisco by encouraging shelters and other organizations to hire transgender women.

Equitable Growth in Action

Jobs, Health, and Youth Support for LGBTQ Individuals

The Ruth Ellis Center (REC) in Detroit works to provide LGBTQ homeless youth with a safe space and support services. The REC is the only organization that is mission-focused on LGBTQ youth experiencing homelessness; it provides short- and long-term residential services for young LGBTQ people in the child welfare and juvenile justice systems. A recent study in Los Angeles found that one in five foster care youth identified as LGBTQ, and they were twice as likely to report poor treatment. The REC residential program, Ruth’s House, provides housing, skill building, and educational support, and helps youth prepare to enter the job market. The REC also runs a drop-in center that provides basic services and a safe space for youth and young adults up to age 24 as well as an outpatient mental health services program. As Jessie Fullenkamp, director of Drop-in Services, explains, “Businesses that approach us understand the importance of investing in LGBTQ youth who experience homelessness. A mentorship interaction with youth is an effective model for a life-long learning experience.”

Sources: [The Ruth Ellis Center](#); [The Williams Institute](#)

Learn More

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- [The Costly Business of Discrimination](#) Report on the economic costs of discrimination and benefits of LGBTQ equality in the workplace. (Center for American Progress)
- [Southerners On New Ground \(SONG\)](#) Regional community organizing and training that centers on people of color, women, transgender people, rural people, immigrants, and low-income people in LGBTQ issues.
- [Movement Advancement Project](#) Research and analysis in support of equality for LGBTQ people.

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Notes

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Lifting Up What Works®

Headquarters

1438 Webster Street
Suite 303
Oakland, CA 94612
t 510 663-2333
f 510 663-9684

Communications

55 West 39th Street
11th Floor
New York, NY 10018
t 212 629-9570

Washington, DC Office

1200 18th Street, NW
Suite 200
Washington, DC 20036

Los Angeles Office

1000 North Alameda Street
2nd Floor
Los Angeles, CA 90012

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1425 4th Ave, Suite 900
Seattle, WA 98101
t 206 691-3134
f 206 286-2725