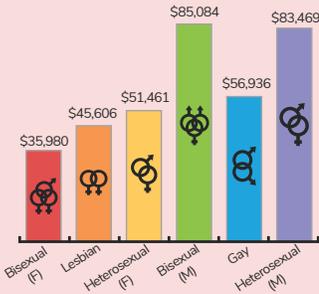


The LGBTQ Wealth Gap



In 2019, 1-in-4 LGBTQ Americans reported experiencing financial challenges based on their sexual orientation or gender identity.

Average income by sexual orientation:



On average, LGBTQ workers earn less than heterosexual and cisgendered peers.

In 2017:

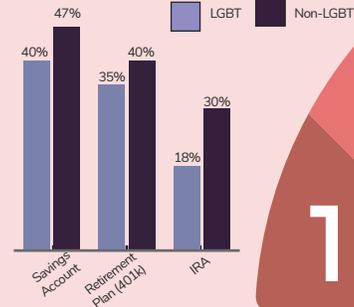
- Lesbians earned 11% less than heterosexual women.
- Gay men made 32% less than heterosexual men.
- Bisexual women earned 30% less than heterosexual peers; bisexual men earned slightly more.
- Trans people were 4x more likely to earn less than \$10,000 a year than the gen. pop. (15% vs. 4%) (in separate reporting).

In 2017, LGBTQ consumers were, compared to the general population:

- 7% less likely to have a savings account
- 5% less likely to have a 401k or retirement plan,
- 12% less likely to have an Individual Retirement Account

all of which were less than when LGBTQ consumers were asked about their savings by the same study authors in 2013.

Product Ownership:



The Income & Savings Gap

LGBTQ people—despite higher educational attainment—are more frequently underemployed, receive lesser compensation, and are less able to save or purchase assets.

“Huge gaps in research and data on LGBTI experiences persist in every country, blocking progress toward inclusion and the realization of human rights for all.”

- World Bank, Investing in a Research Revolution for LGBTI Inclusion

The World Bank has called upon nonprofits, businesses, & policy leaders to collaborate to create the information that can catalyze data-driven change, including:

1. **Creating accurate measures of LGBTQ population, demography, and well-being;** also, of public sentiment toward LGBTQ people.
2. **Studying the effects of LGBTQ social, legal, & economic inclusion** on local, & national economies.
3. **Creating understanding about the unique lives of diverse LGBTQ constituencies,** and the effects of other identifications (e.g. race, ethnicity, religion, age) on their personal economic performance.

Data-collection for affirmative LGBTQ civil rights testing to allow private and public (State & Federal) enforcement of civil rights law is also needed to prevent discrimination in housing, credit, & business lending. Presently, no data is collected to protect LGBTQ people under the:

- Equal Credit Opportunity Act
- Fair Housing Act
- Home Mortgage Disclosure Act
- Small Business Act, or
- Community Reinvestment Act.

The Information Gap

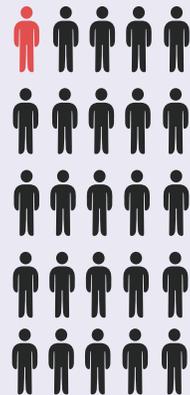
Few surveys or government reports objectively review the unique economic needs of LGBT consumers, businesses, or communities.

“There is, no doubt, prejudice against LGBT applicants. But there’s not a lot of data to show how much.”

- Mark Fogarty, “HMDA Data Offers Clues on Discrimination Against Gays,” American Banker



Nearly 1-in-3 (32%) LGBTQ student borrowers reported discrimination from a financial aid advisor or professional in 2018.



In a first-of-its-kind study of Home Mortgage Disclosure Act data from 1990 to 2015, Iowa State researchers

concluded that **same-sex couples, of similar financial & credit quality to heterosexual peers:**

Were denied residential mortgages 73.12% more often.

Received up to .2% higher interest rates and fees, on average.

1-in-25 LGBTQ people (4%) in Anchorage, AK reported they were denied a loan or credit line because of their sexuality, gender identity, or gender presentation, even though otherwise qualified.

Overpaid up to \$86M each year for their home mortgages.

Higher LGBTQ population density adversely affected ALL borrowers’ lending experiences, concluded study authors.

The Market Gap

When LGBTQ consumers, businesses, & community groups seek products & services, they are victimized by discriminatory treatment, and by unfair, deceptive, or predatory marketing practices.

4

The Policy Gap

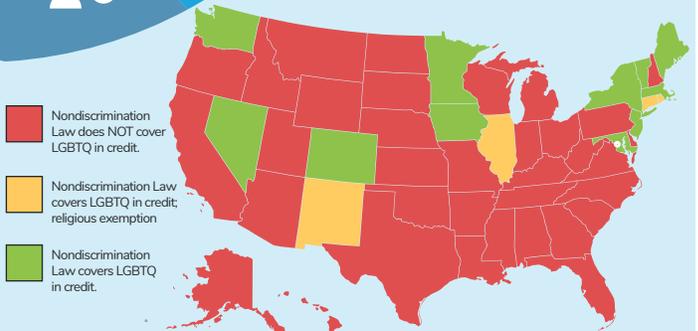
LGBTQ people are not protected under most U.S. nondiscrimination laws, and the needs of LGBTQ households & communities are not fairly included in policy decisions by public or private decision-makers.

3

Are LGBT people covered under current U.S. civil rights laws?



Nearly half of Americans in 2019 wrongly believed LGBTQ people were protected by U.S. civil rights laws. But **LGBTQ people still in-fact live without explicit protection under federal civil rights laws.**



Without federal protection, LGBTQ Americans rely upon a “patchwork” of state and municipal laws to protect themselves, but few can. For example:

- 71% of LGBTQ Americans (~10.5M people) live in the 36 states with no state protection against discrimination in credit transactions.
- And, in 4-of-14 states with such laws, religious exemption law can be used as a defense to that state’s anti-discrimination law.

THE LGBTQ WEALTH GAP

Despite significant social and legal victories in the United States, discriminatory gaps continue to deprive LGBTQ communities of full economic equality. In recent polls, between 25-62% LGBTQ consumers report experiencing financial challenges because of their sexual orientation or gender identity.¹ Financial obstacles to LGBTQ consumers arise from Income & Savings Gaps, Information Gaps, Policy Gaps, and Marketplace Gaps impair LGBTQ households', organizations', and communities' ability to participate fairly and equally in the U.S. economy. The cost of these unfair economic obstacles adds up to significant Wealth Gap between LGBTQ Americans and their heterosexual/cisgender peers.

1. LGBTQ Income & Savings Gaps

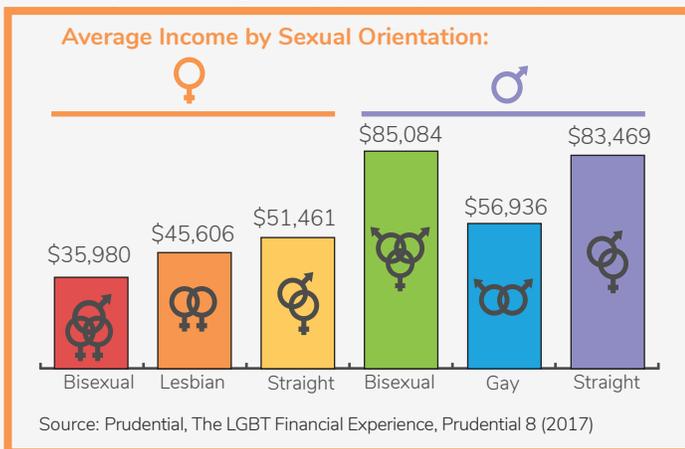
Discrimination in the workplace leaves LGBTQ consumers with smaller earnings compared to het/cis peers. Smaller earnings leaves less money for LGBTQ consumers to manage expenses, create savings, and buy homes and assets, or save for their retirement and golden years.

Earnings & Employment

Workplace bias creates obstacles to employment for LGBTQ workers: Resumes for gay and lesbian workers receive fewer callbacks than resumes for general applicants;² 1-in-10 of LGBTQ workers report discrimination in hiring, promotion, and salary decisions.³ Unfair treatment creates difficulties in maintaining employment: HRC reports that 1-in-10 LGBTQ workers in 2018 had left a previous employer because of harassment.⁴ Such discriminatory obstacles contribute to higher underemployment: Harvard's Chan School of Medicine finds that LGBTQ people are twice as likely to be unemployed as het/cis peers.⁵

Employment and Income gaps help explain why—despite higher educational attainment on-average—LGBTQ workers earn less than het/cis peers.⁶ In recent reporting:

- Lesbians earned 11% less than heterosexual women.⁷
- Gay men made 32% less than het men.⁸
- Bisexual women earn 30% less; men may make slightly more.⁹
- Trans people are 4x more likely to make less than \$10,000 a year than the general population (15% vs. 4%).¹⁰



A 2019 report from the Williams Institute found 1-in-5 LGBTQ people in the United States live in poverty, vs. 1-in-10 (16%) of het/cis peers.¹¹

Savings & Assets

Despite spending the same portion of their income on discretionary items as het/cis peers,¹² 4-in-10 LGBTQ consumers (44%) report difficulty maintaining savings.¹³ LGBTQ consumers are less likely to have a savings account (40% of vs.47%) than the general population; also, less likely to own stocks (18% vs. 23%) or mutual funds (15% vs. 21%).¹⁴

Homeownership

The inability to accumulate savings negatively affects LGBTQ financial security and homeownership. In 2017, Freddie Mac reported that LGBTQ consumers were 75% as likely to be homeowners (49%) than to the general population (64.3%).¹⁵ 7-in-10 LGBTQ renters in the report identified insufficient down-payment savings as a critical obstacle that has prevented them from buying a home.¹⁶

Retirement

Lack of ability to create savings also leaves LGBTQ consumers less prepared for retirement.¹⁷ LGBTQ consumers are less likely to have employer retirement plans (35% LGBTQ vs. 40% gen. pop.) and much less likely to have Individual Retirement Accounts (IRAs) (18% vs. 30%).¹⁸ A lack of retirement savings leaves LGBTQ elders financially insecure and with less ability to care for themselves. Half of LGBTQ seniors (51%) are concerned about having enough money to live on during retirement (vs. 36% het/cis peers); 42% expect to outlive the amount they have saved (vs. 25%).¹⁹

2. LGBTQ Information Gaps

Qualitatively, it is redundant to observe LGBTQ people have lived experiences that are distinctive from their het/cis peers. But, few generalizable studies or government statistics provide a quantitative view into how: i.e., unique demographics and well-being data for LGBT communities in the U.S., and worldwide. In 2016, the World Bank reported that “[h]uge gaps in research and data on LGBTI experiences persist in every country, blocking progress toward inclusion and the realization of human rights for all.”²⁰ The report authors note several areas important for additional statistical study:

- Accurate size estimates of the LGBTQ population and measures of public opinion about LGBTQ people.
- Links between LGBTI inclusion and macroeconomic development, such as the impact of laws and practices that make LGBTI people more vulnerable
- Understanding the multiple identities LGBTQ people hold (e.g. race, ethnicity, religion, age).²¹

“Huge gaps in research and data on LGBTI experiences persist in every country, blocking progress toward inclusion and the realization of human rights for all.”

- World Bank, *Investing in a Research Revolution for LGBTI Inclusion*

In the United States

In the U.S., for one, disambiguated data collection about LGBTQ Americans in government data—e.g., in the Census,²² American Community Survey,²³ Survey of Household Economics and Decisionmaking²⁴—is needed to create understanding of LGBTQ demographics and well-being. Additionally, nondiscrimination enforcement shall require data collection akin to present fair lending data-collection requirements in mortgages²⁵ and small business lending²⁵ for other frequently under-served minority groups.

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