

March 22, 2021

Honorable Dick Durbin
Chair, United States Senate Committee on the Judiciary
224 Dirksen Senate Office Building Washington, DC 20510

Honorable Chuck Grassley
Ranking Member, United States Senate Committee on the Judiciary
224 Dirksen Senate Office Building Washington, DC 20510

Dear Chair Durbin and Ranking Member Grassley:

We write to you to express our support for the Equality Act (HR 5 / S 393), and to explain why enacting nationwide protections based on sexual orientation and gender identity will improve the economy for all Americans, LGBTQ and non-LGBTQ alike. The Center for LGBTQ Economic Advancement & Research is a nonprofit organization of members nationwide that produces information, education, and advocacy to promote the economic and financial wellbeing of LGBTQ households, organizations, and communities.

Throughout the economy, anti-LGBTQ discrimination restricts the ability for LGBTQ people to get ahead and saddles them with burdensome additional costs. In schools, LGBTQ students face harassing treatment from peers, educators, and administrators that affects their academic performance and increases their likelihood to drop out before graduating high school.¹ At work, LGBTQ people face bias from coworkers and hiring managers that negatively affects their employment prospects,² productivity,³ and career advancement.⁴ And in markets for essential goods and services such as housing and credit, LGBTQ consumers receive fewer opportunities and are charged more for the goods and services they do receive.⁵ The minority stress induced by anti-LGBTQ bias, and also reduced access to insurance and healthcare as a result of bias, contribute to poorer health outcomes and reduced productivity for LGBTQ people.⁶

Costs of discrimination drive a wealth gap and higher rates of economic insecurity for LGBTQ people, particularly for those who are transgender, women, and people-of-color. More than one-in-five LGBTQ

¹ Joseph G. Kosciw, *The 2019 National School Climate Survey*, GLSEN (2020)
<https://www.glsen.org/sites/default/files/2020-11/NSCS19-111820.pdf>

² Teresa Rainey & Elliot E. Imse, "Qualified and Transgender," OFFICE OF HUMAN RIGHTS (2015)
https://ohr.dc.gov/sites/default/files/dc/sites/ohr/publication/attachments/QualifiedAndTransgender_FullReport_1.pdf; Emma Mishel, "Discrimination against Queer Women in the U.S. Workforce: A Résumé Audit Study," SOCIUS (January 8, 2016); Andras Tilcsik, "Pride and Prejudice: Employment Discrimination against Openly Gay Men in the United States," 11:2 AM. J. OF SOC. 586 (2011) <https://journals.sagepub.com/doi/10.1177/2378023115621316>

³ HUMAN RIGHTS CAMPAIGN, *A Workplace Divided*, (2019)
https://assets2.hrc.org/files/assets/resources/AWorkplaceDivided-2018.pdf?_ga=2.119402635.345033336.1615835788-697424613.1615330942

⁴ *Id.*

⁵ Diane K. Levy et al., *A Paired-Testing Pilot Study of Housing Discrimination against Same-Sex Couples and Transgender Individuals*, URBAN INST. (June 30, 2017); Lei Gao & Hua Sun, *The Rainbow of Credit: Same Sex Mortgage Discrimination and Two-Sided Spillover Effect* (April 2017)
<https://www.acaweb.org/conference/2018/preliminary/paper/Z3Y34RSk>; Jason Richardson & Karen Shakira Kali, *Same Sex Couples and Mortgage Lending*, NAT'L COMMUNITY REINVESTMENT COALITION (June 22, 2020)
<https://ncrc.org/same-sex-couples-and-mortgage-lending/>

⁶ Brittany M Charlton et al., *Sexual orientation-related disparities in employment, health insurance, healthcare access and health-related quality of life: a cohort study of US male and female adolescents and young adults*, BMJ OPEN (2018) 10.1136/bmjopen-2017-020418



people in the U.S. live in poverty (22%), as compared to 16% of non-LGBTQ people.⁷ Twenty-nine percent of transgender people and bisexual women live in poverty, as do 30% of Black LGBTQ people.⁸ Making matters worse, existing economic gaps have been exacerbated by the COVID-19 pandemic. Two-thirds of LGBTQ people reported experiencing one or more serious financial problems since March 2020 (66%), as compared to less than half of non-LGBTQ people (44%).⁹

Anti-LGBTQ bias has negative economic effects for **all** Americans. Economists have long recognized that discrimination negatively affects the efficient functioning of markets and economies.¹⁰ The U.S. Supreme Court has also recognized the costs of discrimination on commerce justify Congressional actions to restrict discrimination under present civil rights laws.¹¹ The economy-wide costs of bias include lost labor time, lost productivity, underinvestment in human capital, inefficient allocation of human resources, and the cost of social and health services that could be spent elsewhere absent discrimination.¹²

Anti-LGBTQ bias has costly effects for firms by reducing worker productivity and increasing employee turnover.¹³ On the other hand, more LGBTQ inclusion in the workplace has been demonstrated to improve companies' productivity, innovation, and profitability.¹⁴ One 2016 study finds the number of corporate patents and citations filed for companies headquartered in U.S. states with nondiscrimination protections for LGBTQ people were significantly greater than for those in states without protections.¹⁵

The costs to individuals and firms from anti-LGBTQ stigma add up to considerable sums that affect the performance of entire economies. For instance, discrimination against LGBT people has been shown to negatively affect the state of Georgia's economy by tens of millions of dollars each year.¹⁶ And the World Bank reported in 2017 that persisting anti-LGBTQ stigma and exclusion costs the Indian national economy up to 1% of its country's GDP annually, or about \$31 billion USD.¹⁷ But, the burdensome costs

⁷ M.V. Lee Badgett, Soon Kyu Choi, & Bianca D.M. Wilson, *LGBT Poverty in the United States*, WILLIAMS INSTITUTE AT UCLA SCH. OF L. (October 2019) <https://williamsinstitute.law.ucla.edu/publications/lgbt-poverty-us/>
⁸ *Id.*

⁹ MOVEMENT ADVANCEMENT PROJECT, *The Disproportionate Impacts of COVID-19 on LGBTQ Households in the U.S.* (November 2020) <http://www.lgbtmap.org/2020-covid-lgbtq-households>.

¹⁰ *See, e.g.*, GARY BECKER, *THE ECONOMICS OF DISCRIMINATION* (Univ. of Chi. Press 1971); M.V. LEE BADGETT, *THE ECONOMIC CASE FOR LGBT EQUALITY* 107-133 (Beacon Press 2020)

¹¹ *Katzenbach v. McClung*, 379 U.S. 294 (1964) (Holding Sections 201(a), (b), and (c) of the Civil Rights Act of 1964 are a constitutional exercise of Congressional commerce powers); *Heart of Atlanta Motel, Inc. v. United States*, 379 U.S. 241 (1964) (Holding Congress did not exceed commerce clause authority by enacting Title II of the Civil Rights Act).

¹² M.V. Lee Badgett et al., *The Economic Cost of Stigma and the Exclusion of LGBT People: A Case Study of India*, WORLD BANK (2014) <https://openknowledge.worldbank.org/handle/10986/21515>

¹³ Meghna Sabharwal et al., *Inclusive Work Practices: Turnover Intentions Among LGBT Employees of the U.S.* Federal Government, 49:4 THE AM. REV. OF PUB. ADMIN. 482 (December 12, 2018) <https://doi.org/10.1177/0275074018817376>

¹⁴ Liwei Shan, Shihe Fu, & Lu Zheng, *Corporate Sexual Equality and Firm Performance*, 38:9 Strategic Mgmt. J. 1812 (2017) <https://doi.org/10.1002/smj>; Shaun Pichler et al., *Do LGBT-Supportive Corporate Policies Enhance Firm Performance?*, 1 Hum. Resource Mgmt. 263 (2018) <https://doi.org/10.1002/hrm.21831>; CREDIT SUISSE, *LGBT: The Value of Diversity*, (2016) <https://www.slideshare.net/creditsuisse/lgbt-the-value-of-diversity>.

¹⁵ Huasheng Gao & Wei Zhang, *Employment Non-Discrimination Acts and Corporate Innovation*, 63:9 MGMT. SCI. 2982 (2016) <https://doi.org/10.2139/ssrn.2473250>.

¹⁶ Christy Mallory, Brad Sears, & Kerith Conron, *The Economic Impact of Stigma and Discrimination Against LGBT People in Georgia*, WILLIAMS INSTITUTE AT UCLA SCH. OF L. (January 2017) <https://williamsinstitute.law.ucla.edu/publications/impact-lgbt-discrimination-ga/>

¹⁷ Badgett, *supra* note 12.



of discrimination to individuals, firms, and entire economies can be addressed by implementing consistent nationwide nondiscrimination protections for LGBTQ people.

The economic case for the Equality Act is clear: anti-LGBTQ discrimination is bad for individuals, bad for business, and bad for the entire economy. The Equality Act will reduce the costs of anti-LGBTQ discrimination and will build a stronger, more efficient, and more productive economy for all. We urge Congress enact consistent, explicit, and nationwide nondiscrimination protections for LGBTQ people by passing the Equality Act.

For any questions regarding this letter, please contact Spencer Watson, Executive Director for the Center for LGBTQ Economic Advancement & Research at spencer@lgbtq-economics.org or at 415-278-7273.

Sincerely,



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