



New Insights on LGBTQI+ Economic Wellbeing Reveal Opportunities for US Economic Growth

The U.S. Department of Treasury (Treasury) seeks to support an economy that works for all. This begins with understanding the economic realities faced by various communities and understanding how Treasury programs and policies may impact the financial stability and mobility of people in those communities.

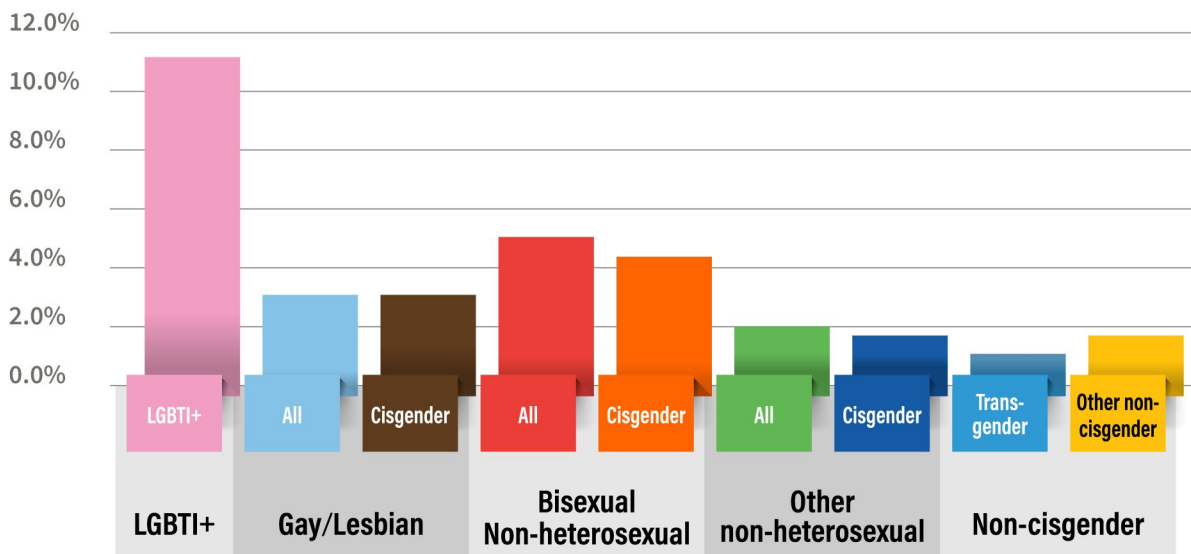
Pursuing [equitable outcomes](#) is a key goal of the Biden-Harris Administration’s policymaking and of the strategy Secretary Yellen calls “modern supply-side economics.” Equitable and inclusive economic policies unlock the potential of not just the most disadvantaged households, but also help all Americans by boosting total productivity, labor force participation, innovation, and economy-wide resilience.¹

To mark the end of Pride month, we highlight a new analysis on the contributions and economic wellbeing of the LGBTQI+ community as well as opportunities to better support the community.²

New data reveal a larger, younger LGBTQI+ population

A rising share of the U.S. population identifies as members of the LGBTQI+ community. According to an analysis by the Organization on Economic Cooperation and Development (OECD) of the [U.S. Census Household Pulse Survey](#) data, around 11.2 percent of U.S. adults identified as members of the LGBTQI+ community in 2023.³ Over 20 percent of Gen Z individuals identified as members of the LGBTQI+ community compared to 2.3 percent of Baby Boomers the same year.^{4,5}

Share of self-identified LGBTQI+ US adults (aged 18-88) in 2023^{6, 7}



The OECD analysis of the Household Pulse Survey data (January-July 2023) provides the following breakout of the respondents’ self-identification: gay/lesbian, bisexual, transgender, other non-heterosexual, and other non-cisgender. Cisgender refers to individuals whose gender identity matches their sex assigned at birth.

Changes in the numbers of people who identify as LGBTQI+ likely reflect greater acceptance of the LGBTQI+ community among younger Americans, but also present challenges to understanding their economic situations compared to the overall U.S. population.⁸ For example, while younger individuals may be more willing to disclose their sexual orientation and gender identity, they generally have had fewer opportunities to earn income and build wealth. This means it can be hard to understand differences in income, homeownership rates, and other economic factors without accounting for age differences.



Economic circumstances within the LGBTQI+ community can also vary greatly, with barriers to economic opportunity often being the greatest for transgender people and LGBTQI+ people of color.^{9,10} However, new data from the Household Pulse Survey, which is the first nationally representative sample of the LGBTQI+ population, allows for better understanding of the economic wellbeing of the diverse members within the LGBTQI+ community, accounting for basic demographic differences.¹¹

What are the economic contributions of the LGBTQI+ community?

With greater cultural acceptance of the LGBTQI+ community and legal recognition of same-sex marriage, more members of the community can more easily participate in and take a larger role in the U.S. economy without fear of discrimination based on sexual orientation and gender identity. With this increased economic participation, there is also evidence of increasingly significant economic contributions of the LGBTQI+ community. For example, a recent study found that states with higher LGBTQI+ representation experienced higher economic growth between 2010-19.¹² While the study acknowledged that LGBTQI+ individuals tend to be younger and more highly educated, the results were confirmed even after controlling for median age and educational attainment level by state. The authors also suggest that further research is needed to investigate the link between LGBTQI+ representation and other factors that may contribute to economic growth, such as business formation and innovation. An earlier report from 2015 on businesses whose owners openly identified as LGBTQI+ found that they contributed \$1.7 trillion to the economy and created over 33,000 jobs.¹³ Employers who foster inclusive work environments may also drive greater economic impact - researchers have found that firms that adopt LGBTQI+ friendly policies perform better and have higher credit ratings than those that do not.¹⁴

New data also reveal economic challenges facing LGBTQI+ individuals.

Despite these contributions, there is also new evidence suggesting this community still faces disparities and barriers to economic opportunities that limit their ability to fully participate in the economy.¹⁵ While LGBTQI+ individuals and families have made historic progress, they still face [systemic discrimination and barriers to full participation](#) in our Nation's economic and civic life. Barriers to full economic participation among marginalized or underserved individuals could create a drag on our entire economy by suppressing rates of employment, earnings, wealth, and innovation.¹⁶ For example, the OECD study estimates that leveling the playing field for LGBTQI+ Americans would result in a nearly 3 percent larger economy by 2050.



Evidence of Disparities in Economic Wellbeing faced by the LGBTQI+ Community

The OECD study “*The Economic Case for Greater LGBTI+ Equality in the United States*” finds evidence of economic disparities for LGBTQI+ people even after controlling for location, demographics, as well as sector and occupation for the employed.*

For example, the analysis finds that LGBTQI+ adults are 7 percent less likely to be employed, and those who are employed earn 7 percent less than their cisgender straight counterparts.** Household income for these communities is also about 8 percent lower than for cisgender straight households. The study notes that the disparities appear wider among younger cohorts, potentially because younger people are more likely to disclose their sexual orientation and gender identity compared to older generations.

The study also notes evidence that LGBTQI+ individuals “face discrimination when trying to access credit, hampering their capacity to build wealth.” After controlling for income and other demographic characteristics such as age and geography the Household Pulse Survey data show that self-identified LGBTQI+ adults are 5 percentage points less likely to be homeowners compared to cisgender straight adults.

The researchers further suggest that the unexplained disparities for LGBTQI+ individuals are associated with high levels of perceived discrimination, calling for further research on ways that multiple identities, including race, ethnicity, and disability status impact this community’s economic wellbeing.

* This report was commissioned by the U.S. Department of Labor. The study primarily uses the US Census Household Pulse Survey data.

** Here, researchers focus on labor earnings of individuals living alone (with no other adult or children in the household). This method reduces the potential bias arising from different household specialization across same-sex and different-sex couples, which has historically led to overestimating the income penalty for non-heterosexual men and underestimating it for non-heterosexual women.

For more information on the OECD study findings and methodology, please see: OECD (2024), *The Economic Case for Greater LGBTI+ Equality in the United States*, OECD Publishing, Paris, <https://doi.org/10.1787/5adfe3a5-en>.

What are some opportunities for Treasury and federal government to improve outcomes for LGBTQI+ individuals?

To date, the federal government agencies, including Treasury, have been able to collect only limited data about the LGBTQI+ community, making it difficult to identify economic outcomes and opportunities about this population.¹⁷ The Household Pulse Survey marks an unprecedented advancement in gathering more detail on economic conditions of the LGBTQI+ population. Until now, the U.S. Census only collected data to differentiate between same-sex and opposite-sex partners but did not ask specific questions on sexual orientation and gender identity. In the future, the U.S. Census’ [proposal](#) to add questions on sexual orientation and gender identity to the flagship American Community Survey (ACS) and implement [the Sexual Orientation and Gender Identity Data Action Plan](#) holds promise to further advance data collection and research on LGBTQI+ individuals.^{18, 19}

In response to Executive Order 14075, and as part of the [LGBTQI+ Evidence Agenda](#), Treasury has called for additional data collection to enable better understanding of how to reach this population.²⁰ Already, Treasury’s [State Small Business Credit Initiative](#) has begun collecting self-reported sexual orientation and gender identity data on business beneficiaries from participating jurisdictions.²¹ Over time, Treasury anticipates being able to collect more data in conjunction with the Evidence Agenda and to conduct more thorough and intersectional analysis on the economic wellbeing of the members of the LGBTQI+ community.

The new Household Pulse Survey data represent an opportunity to better understand economic outcomes for LGBTQI+ individuals and families. With these new insights, Treasury and the rest of the federal government can now identify opportunities to grow the economy by better serving the needs of the LGBTQI+ community. As we learn more from these and new data, Treasury will continue exploring these opportunities in future blog posts.



Endnotes

- 1 U.S. Department of The Treasury (2024, June 24). *Equitable recovery in the United States*. <https://home.treasury.gov/news/featured-stories/equitable-recovery-in-the-united-states>
- 2 Note on the use of the acronym term “LGBTQI+” in this blog: the studies reviewed for this blog use the terms LGBTQIA+, LGBTQI+, LGBTQ+, and LGBTI+ which all represent umbrella terms and include a “Plus” term which represents an open-ended demographic category to acknowledge additional sexual orientations and gender identities that are not explicitly present in the acronym. In this blog, the use of the term “LGBTQI+” which stands for Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex, “Plus,” is consistent with the [Executive Order 13988](https://www.whitehouse.gov/briefing-room/presidential-actions/2022/06/15/executive-order-on-advancing-equality-for-lesbian-gay-bisexual-transgender-queer-and-intersex-individuals/).
- 3 The study notes that “like other nationally representative US surveys with self-identified LGBTI+ questions, the Household Pulse Survey sample excludes institutionalized adults. This omission means that homeless individuals, those in medical institutions, incarceration facilities, or homeless shelters are not represented.” For more information, please visit: OECD (2024), *The Economic Case for Greater LGBTI+ Equality in the United States*, OECD Publishing, Paris, <https://doi.org/10.1787/5adfe3a5-en>.
- 4 Household Pulse Survey is a high frequency survey that was established to track social and economic impacts of COVID-19. For more information, please see: US Census Bureau. (2024d, April 4). Household Pulse Survey: Measuring Emergent social and economic matters facing U.S. households. Census.gov. <https://www.census.gov/data/experimental-data-products/household-pulse-survey.html>.
- 5 Jones, B. J. M. (2024, April 3). LGBTQ+ identification in U.S. now at 7.6%. Gallup.com. <https://news.gallup.com/poll/611864/lgbtq-identification.aspx>
- 6 OECD (2024), *The Economic Case for Greater LGBTI+ Equality in the United States*, OECD Publishing, Paris, <https://doi.org/10.1787/5adfe3a5-en>.
- 7 US Census Bureau. (2024d, February 13). Household Pulse Survey data. Census.gov. <https://www.census.gov/programs-surveys/household-pulse-survey/data.html>
- 8 Urban Institute. *Why are there gaps in LGBTQ+ homeownership?* (2024, February 28). <https://www.urban.org/research/publication/why-are-there-gaps-lgbtq-homeownership#:~:text=Costs%20of%20living%20for%20LGBTQ%2B,in%20states%20with%20exclusionary%20policies>.
- 9 The White House (2022b, June 15). *Executive Order on Advancing Equality for lesbian, gay, bisexual, transgender, queer, and intersex individuals*. <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/06/15/executive-order-on-advancing-equality-for-lesbian-gay-bisexual-transgender-queer-and-intersex-individuals/>
- 10 Kent, A., & Scott, S. (2024b, April 3). The economic realities faced by LGBTQ+ adults. Fed Communities. <https://fedcommunities.org/economic-realities-faced-lgbtq-adults/>
- 11 Federal Reserve Bank of Saint Louis. (December 1, 2022). *New analysis finds LGBTQ+ households trail in income and wealth*. <https://www.stlouisfed.org/on-the-economy/2022/dec/new-analysis-finds-lgbtq-households-trail-income-wealth#:~:text=Data%20from%20the%20Federal%20Reserve,current%20gender%20identity%20matches%20their>; United States Joint Economic Committee. (2022, June 29). LGBTQ+ Americans make important contributions to the economy despite facing unique challenges. [pride-issue-brief-6.29.22-final.pdf \(senate.gov\) https://www.jec.senate.gov/public/index.cfm/democrats/2022/6/lgbtq-americans-make-important-contributions-to-the-economy-despite-facing-unique-challenges](https://www.jec.senate.gov/public/index.cfm/democrats/2022/6/lgbtq-americans-make-important-contributions-to-the-economy-despite-facing-unique-challenges); U.S. Census Bureau. (2024, April 25). *New Household Pulse Survey Data Reveal Differences between LGBT and Non-LGBT Respondents During COVID-19 Pandemic*. Census.gov. <https://www.census.gov/library/stories/2021/11/census-bureau-survey-explores-sexual-orientation-and-gender-identity.html>
- 12 Wells Fargo - The “Secret Sauce”: the LGBTQ+ community & state economic growth rates. (n.d.-b). <https://wellsfargo.bluematrix.com/links2/html/09715269-77b0-4c34-a1fc-9181b8ae131e>
- 13 National Gay & Lesbian Chamber of Commerce, Nelson, J., & Mitchell, C. (2016). AMERICA’S LGBT ECONOMY. In AMERICA’S LGBT ECONOMY 2016 SNAPSHOT. <https://nglcc.org/wp-content/uploads/2022/02/REPORT-NGLCC-Americas-LGBT-Economy-1-1.pdf>
- 14 Chintrakarn, P., Treepongkaruna, S., Jiraporn, P., & Lee, S. M. (2018). Do LGBT-Supportive Corporate Policies Improve Credit Ratings? An Instrumental-Variable Analysis. *Journal of Business Ethics*, 162(1), 31–45. <https://doi.org/10.1007/s10551-018-4009-9>; Fatmy, V., Kihn, J., Sihvonen, J., & Vähämaa, S. (2021). Does lesbian and gay friendliness pay off? A new look at LGBT policies and firm performance. *Accounting and Finance*, 62(1), 213–242. <https://doi.org/10.1111/acfi.12787>
- 15 Kent, A., & Scott, S. (2024, April 3). *The economic realities faced by LGBTQ+ adults*. Fed Communities. <https://fedcommunities.org/economic-realities-faced-lgbtq-adults/>; OECD (2024, June 28). “*The Economic Case for Greater LGBTI+ Equality in the United States*.” [ADD LINK]
- 16 <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/06/15/executive-order-on-advancing-equality-for-lesbian-gay-bisexual-transgender-queer-and-intersex-individuals/>
- 17 [SOGIESC-Data-Collection-Nov-2023.pdf \(ucla.edu\)](https://www.sogiesc.org/data-collection-nov-2023.pdf)
- 18 US Census Bureau. (2024f, May 1). *Census Bureau seeks public comment on test of sexual orientation and gender identity questions*. Census.gov. <https://www.census.gov/newsroom/press-releases/2024/test-sogi-questions.html>
- 19 U.S. Census Bureau. (2023c). SEXUAL ORIENTATION AND GENDER IDENTITY (SOGI) DATA ACTION PLAN FOR THE U.S. CENSUS BUREAU [Report]. <https://www2.census.gov/topics/population/sogi/sogi-data-action-plan.pdf>
- 20 NATIONAL SCIENCE AND TECHNOLOGY COUNCIL, (2023) *Subcommittee on Sexual Orientation, Gender Identity, and Variations in Sex Characteristics (SOGI) Data, Subcommittee on Equitable Data.*, FEDERAL EVIDENCE AGENDA ON LGBTQI+ EQUITY. <https://www.whitehouse.gov/wp-content/uploads/2023/01/Federal-Evidence-Agenda-on-LGBTQI-Equity.pdf>
- 21 U.S. Department of the Treasury. (2024f). Capital Program Reporting Guidance. <https://home.treasury.gov/system/files/136/SSBCI-Reporting-Guidance.pdf>

