

THE ECONOMIC IMPACT OF STIGMA AND DISCRIMINATION AGAINST LGBT PEOPLE IN PENNSYLVANIA

DECEMBER 2021

A recent report from the Williams Institute at UCLA School of Law provides data and research documenting the prevalence of several forms of stigma and discrimination against LGBT adults and youth in Pennsylvania. The report discusses the implications of stigma and discrimination on LGBT individuals, in terms of health and economic security; on employers, in terms of employee productivity, recruitment, and retention; and on the economy, in terms of health care costs and reduced productivity.

DEMOGRAPHICS

- Pennsylvania is home to nearly 500,000 LGBT youth and adults.
- LGBT people in the state are diverse in terms of their personal characteristics and experiences. For example, one-third of LGBT adults in Pennsylvania are people of color and 27% of LGBT people in the state are raising children.

DISCRIMINATION

- Discrimination against LGBT people in Pennsylvania has been documented in a variety of sources. For example, a 2021 nationwide survey of LGBT employees conducted by the Williams Institute found that nearly half (47%) of LGBT respondents from Pennsylvania reported experiencing workplace discrimination or harassment because of their sexual orientation or gender identity at some point in their lives. More specifically, 17% of respondents from Pennsylvania reported experiencing employment discrimination (including being fired or not hired) because of their sexual orientation or gender identity. Forty-six percent of LGBT respondents from Pennsylvania reported experiencing at least one form of harassment (verbal, physical, or sexual harassment) at work because of their sexual orientation or gender identity. Five percent of LGBT employees from Pennsylvania reported that they had experienced discrimination (including being fired or not hired) within the year following the U.S. Supreme Court's decision in *Bostock v. Clayton County*, extending non-discrimination protections to LGBT people nationwide.

ECONOMIC IMPACT

On Individuals

- Stigma and discrimination against LGBT people can lead to economic instability, including lower wages and higher rates of poverty.
 - Gallup polling data from 2015–2017 show that one-quarter of LGBT adults in Pennsylvania reported that they did not have enough money for food, compared to 13% of non-LGBT adults in the state.
 - Over one-quarter (27%) of LGBT adults in Pennsylvania reported having a household income below \$24,000, compared to 18% of non-LGBT adults.

LGBT adults in Pennsylvania were twice as likely to be unemployed as non-LGBT adults (11% vs 5%).

- Stigma and discrimination also contribute to adverse health outcomes for LGBT adults such as major depressive disorder, binge drinking, substance use, and suicidality. Similarly, bullying and family rejection, as well as stigma more broadly, have been linked to increased likelihood of dropping out of school, suicide, and substance use among LGBT youth.

On Employers and the Economy

- Discrimination against LGBT people has economic consequences for employers and the economy.
 - **Productivity.** Unsupportive work environments can mean that LGBT employees are less likely to be open about their sexual orientation or gender identity at work, and more likely to be distracted, disengaged, or absent, and to be less productive. These outcomes could lead to economic losses for state and local governments, as employers, as well as for private sector employers in the state. Given that an estimated 307,000 workers ages 16 and over in Pennsylvania identify as LGBT, the loss in productivity from a discriminatory environment could be significant.
 - **Retention.** LGBT employees in less supportive work environments feel less loyal to their employers and are more likely to plan to leave their jobs. A 2021 Williams Institute survey found that 11% of LGBT employees who live in Pennsylvania have left a job because of how they were treated by an employer based on their LGBT-status at some point in their lives and 38% have looked for other jobs because of how they were treated or because the workplace was uncomfortable for LGBT people. Given the average replacement costs of an employee, public and private employers risk losing \$10,790, on average, for each employee who leaves the state or changes jobs because of an unsupportive environment in Pennsylvania.
 - **Recruitment.** Many LGBT and non-LGBT workers, in particular those who are younger and more highly educated, prefer to work for companies with more LGBT-supportive policies, and in states with more supportive laws. To the extent that workers from other states perceive Pennsylvania to be unsupportive of LGBT people, it may be difficult for public and private employers in the state to recruit talented employees from other places.
 - **Health disparities.** Health disparities linked to stigma and discrimination create economic burdens for the state in terms lost productivity and other consequences. A more supportive legal landscape and social climate for LGBT people in Pennsylvania would likely reduce health disparities facing LGBT people, which would increase worker productivity and reduce health care costs.
 - Reducing the disparity in major depressive disorder between LGBT and non-LGBT people in Pennsylvania by one-third could benefit the state's economy by \$225 million in increased productivity and reduced health care costs annually.
 - Reducing the disparity in current smoking by the same proportion could benefit the state's economy by \$149 million annually.
 - Reducing the disparity in binge drinking could benefit the state's economy by \$93 million annually.
 - To the extent that a more supportive legal landscape would reduce other health disparities, the state's economy would benefit even more.