Anti-LGBTQ Legislative Trends and Why Businesses Should Care

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Recent trends in state legislation that adversely impact the LGBTQ community should be on corporations' radars because the result of such legislation also adversely impacts corporate revenue and human resource efforts. Businesses that not only have a more diverse workforce, but also intentionally focus on inclusive workplace practices, are best positioned to overcome the impact state legislation may have on their bottom line and corporate culture.

Recent events have shown that if a state passes anti-LGBTQ legislation, local businesses stand to lose precious income. A 2020 study conducted by Texas economist Ray Perryman demonstrated that LGBTQ-friendly legislation, such as nondiscrimination laws, leads to gains in local jobs and revenues. Conversely, anti-LGBTQ legislation results in quantifiable losses to local businesses. In 2017, the North Carolina economy lost approximately $100 million after the NBA relocated the All-Star Game from Charlotte to New Orleans after the state passed anti-LGBTQ legislation. The Greensboro Coliseum described its economic losses as "disastrous" after artists boycotted the venue in protest over North Carolina's anti-LGBTQ laws. The Metro Atlanta Chamber of Commerce valued potential economic losses to the local hotel industry at $600 million if proposed anti-LGBTQ legislation had been passed. Meanwhile, the city of Fort Worth's nondiscrimination law was one reason Facebook invested in a $1 billion new data center in the city. These statistics show that supporting anti-LGBTQ legislation is not in the best interest of an organization's bottom line.

In addition to minimizing profit losses, businesses want to recruit and retain premium talent. However, recent anti-LGBTQ legislative trends may inhibit a corporate human resource department's ability to employ and retain the best available people. According to the Bureau of Labor Statistics, millennials will account for 75 percent of the workforce by 2030. Ray Perryman's 2020 study showed that 79 percent of non-LGBTQ millennials advocated for workplace nondiscrimination policies for their LGBTQ peers. In addition, a 2021 Gallup poll showed that young adults are more inclusive of transgender people. Approximately 30 percent of Americans reported having a friend, relative, or colleague who identified as transgender. Compare that to the 50 percent of adults younger than age 30 who reported having a friend, relative, or colleague who identified as transgender. The younger generations also have an increased rate of self-identifying as LGBTQ; approximately 25 percent of Generation Z adults and approximately 10 percent of millennials self-identify as LGBTQ. These statistical trends demonstrate that the younger talent making up the majority of the workforce expects transgender-inclusive laws, policies, and business practices.

Unfortunately, despite more corporate discussions about diversity and inclusion in workplace settings, some state legislation specifically targets an employer's ability to focus and even train on diversity, equity, and inclusion issues and some organizations that have created initiatives may not be fully invested in genuine inclusion. A February 2022 Gallup study showed few LGBTQ employees strongly agree that their organizations cared about their wellbeing, or that their organizations will act ethically with regard to LGBTQ issues. The poll showed that 27 percent of non-LGBTQ employees reported that they considered their employers to be fair to everyone, while only 15 percent of their LGBTQ peers reported the same. In addition, 49 percent of LGBTQ employees reported experiencing depression while only 21 percent of their non-LGBTQ peers experienced the same. These statistics alarmingly demonstrate the need for more inclusive workplace practices at all levels of an organization. Tellingly, LGBTQ employees reported that, although appreciating their organizations’ overall Diversity, Equity, and Inclusion (DEI) initiatives, the most significant factor in their feelings of inclusion or
exclusion was their manager. In other words, the manager's actions directly impacted whether the employee felt genuinely valued and included. The polled LGBTQ employees further reported that there is no one-size-fits-all approach to engaging LGBTQ employees; the engagements should be individualized, which is key to genuine inclusion. These findings show the importance of not only creating DEI initiatives but of ensuring that the immediate supervisors and managers are trained and fully supported to put those DEI initiatives into practice.

As generations of employees entering the American workforce become more and more diverse and more of them self-identify as LGBTQ, state legislation targeting the LGBTQ community becomes not only a social and human rights issue, but it also becomes a business issue that must be proactively tackled. Businesses of all sizes have an opportunity to create inclusive workplace climates that allow its workers an equal and equitable opportunity to thrive.