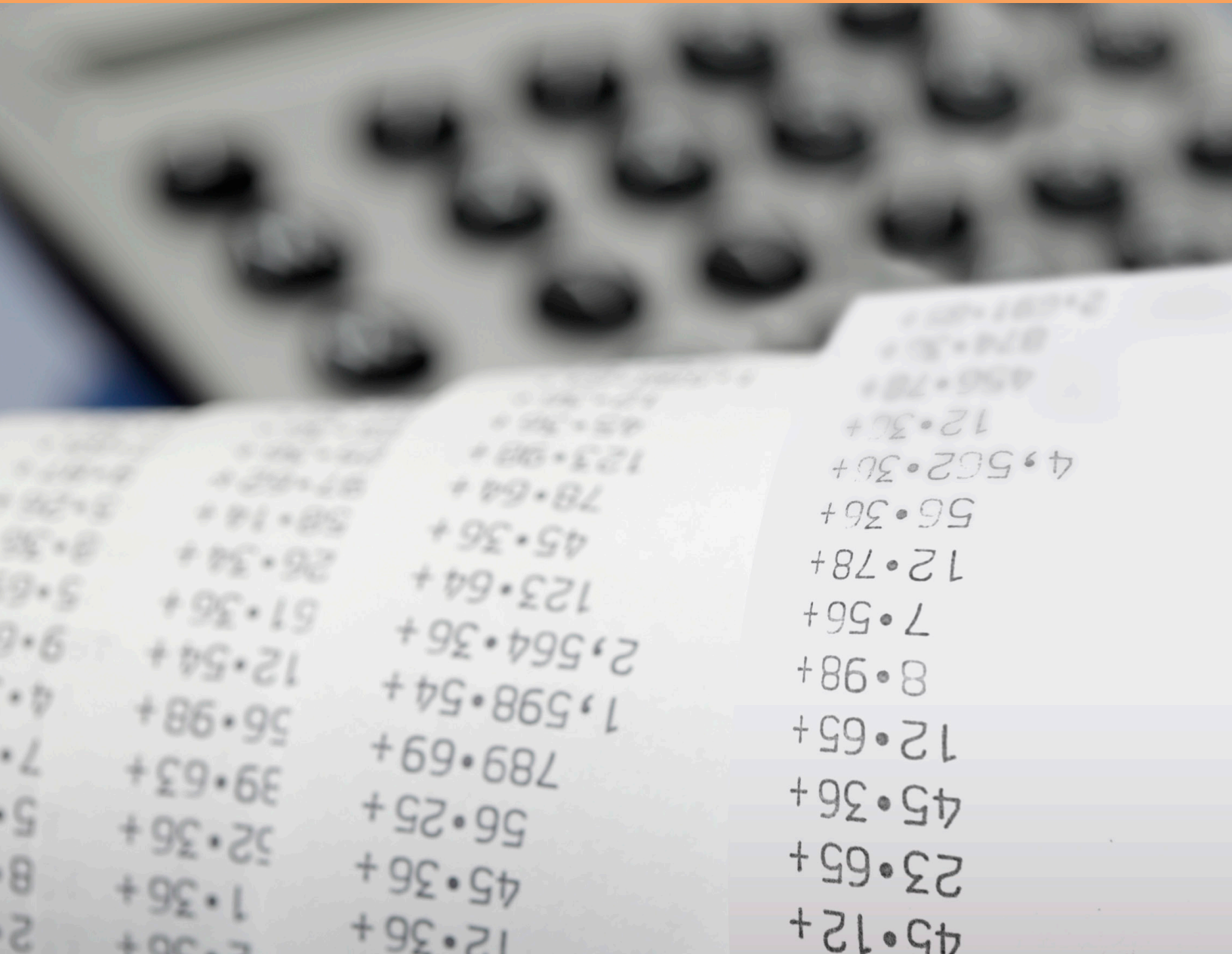


# PAYING AN UNFAIR PRICE

*The Financial Penalty for Being LGBT in America*

Executive Summary

September 2014



Center for American Progress



movement advancement project ▶

Authors



Partners

## This report was authored by:

### **Center for American Progress**

The Center for American Progress (CAP) is a think tank dedicated to improving the lives of Americans through ideas and action. CAP combines bold policy ideas with a modern communications platform to help shape the national debate. CAP is designed to provide long-term leadership and support to the progressive movement. CAP's policy experts cover a wide range of issue areas, and often work across disciplines to tackle complex, interrelated issues such as national security, energy, and climate change.

### **Movement Advancement Project**

The Movement Advancement Project (MAP) is an independent think tank that provides rigorous research, insight and analysis that help speed equality for LGBT people. MAP works collaboratively with LGBT organizations, advocates and funders, providing information, analysis and resources that help coordinate and strengthen efforts for maximum impact. MAP's policy research informs the public and policymakers about the legal and policy needs of LGBT people and their families.

---

### *Contact Information*

#### **Center for American Progress**

1333 H Street, NW, 10th Floor  
Washington, DC 20005  
202-682-1611  
[www.americanprogress.com](http://www.americanprogress.com)

#### **Movement Advancement Project (MAP)**

2215 Market Street  
Denver, CO 80205  
720-274-3263  
[www.lgbtmap.org](http://www.lgbtmap.org)

## This report was developed in partnership with:

### **Center for Community Change**

The Center for Community Change's mission is to build the power and capacity of low-income people, especially low-income people of color, to change their communities and public policies for the better. Its focus areas include jobs and wages, immigration, retirement security, affordable housing, racial justice and barriers to employment for formerly incarcerated individuals. The Center empowers the people most affected by injustice to lead movements to improve the policies that affect their lives. For more information, visit [www.communitychange.org](http://www.communitychange.org).

### **Center for Popular Democracy**

The Center for Popular Democracy (CPD) works to create equity, opportunity and a dynamic democracy in partnership with high-impact base-building organizations, organizing alliances, and progressive unions. CPD strengthens our collective capacity to envision and win an innovative pro-worker, pro-immigrant, racial and economic justice agenda. For more information, visit [www.populardemocracy.org](http://www.populardemocracy.org).

### **National Association of Social Workers**

The National Association of Social Workers (NASW) is the largest membership organization of professional social workers in the world, with 132,000 members with 55 chapters in the United States and internationally. NASW works to enhance the professional growth and development of its members, to create and maintain professional standards, and to advance sound social policies. For more information, visit [www.socialworkers.org](http://www.socialworkers.org).

### **National Education Association**

The National Education Association (NEA), the nation's largest professional employee organization, is committed to advancing the cause of public education. NEA's 3 million members work at every level of education—from pre-school to university graduate programs. NEA has affiliate organizations in every state and in more than 14,000 communities across the United States. For more information, visit [www.nea.org](http://www.nea.org).

## EXECUTIVE SUMMARY

LGBT Americans have the same worries as other Americans when it comes to paying for healthcare and other needs, finding good jobs, and saving for the future. But the LGBT population—which includes parents, workers, retirees, people of color, and people with disabilities—faces another set of challenges that can result in increased economic hardship.

Anti-LGBT laws—at the federal, state, and local levels—have the emotional impact of telling LGBT people that they matter less than others, that their families and their health are not as important, and that their contributions at work are less valued. But these outdated and discriminatory laws also have serious economic impacts, causing LGBT people to have a harder time becoming financially secure and providing for their families.

In some cases, the legal inequality experienced by LGBT people results in *lower incomes*—for example, due to employment discrimination or the denial of family tax credits. This makes it harder for LGBT Americans to save for the future or cover basic necessities like rent, food, and clothing. In other cases, these same legal inequalities burden LGBT people with *higher costs* for needs like housing, healthcare, health insurance, and education.

This report describes how LGBT Americans pay an unfair price for being LGBT, and how anti-LGBT laws cause the most harm to the most vulnerable LGBT communities. The report also includes recommendations that would help end the unfair financial penalties that LGBT people in this country face simply because of who they are or whom they love.

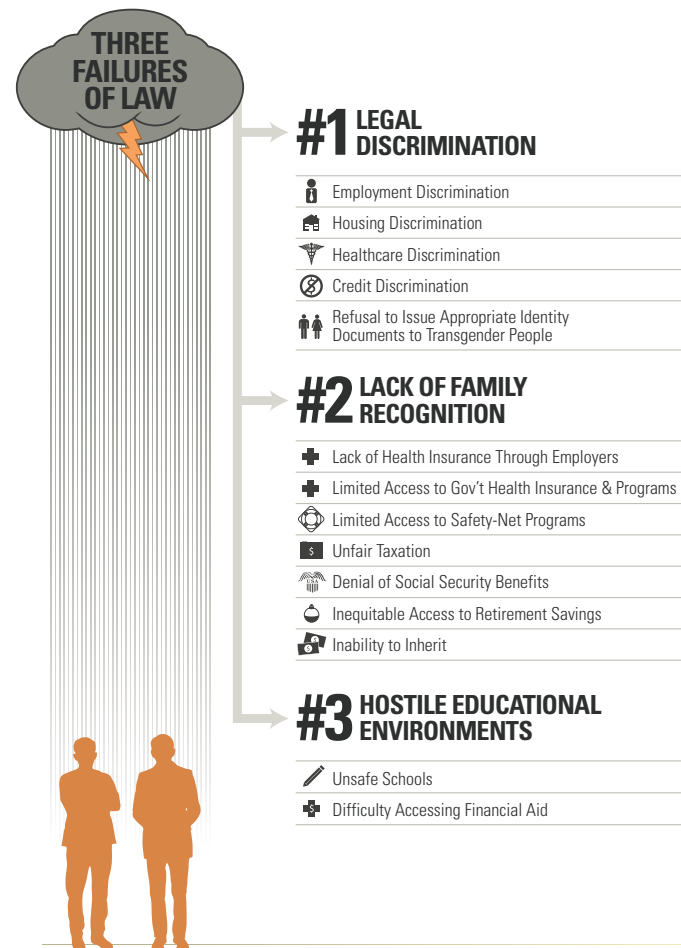
### Three Primary Failures of Law Financially Penalize LGBT People

The financial penalties facing LGBT people in the United States are the result of three primary failures in the law:

**1. Lack of protection from discrimination** means that LGBT people can be fired, denied housing, and refused medically-necessary healthcare simply because they are LGBT. LGBT people experience credit discrimination, and transgender people face difficulties obtaining accurate identity documents, which can make it more difficult to secure employment, housing, and more. *The financial penalty:* LGBT people can struggle to find work, make less on the job, and have higher housing and medical costs than their non-LGBT peers.

**2. Refusal to recognize LGBT families** means that LGBT families are denied many of the same benefits afforded to non-LGBT families when it comes to health insurance, taxes, vital safety-net programs, and retirement planning. *The financial penalty:* LGBT families pay more for health insurance, taxes, legal assistance, and essential protection for their families in times of crisis.

**3. Failure to adequately protect LGBT students** means that LGBT people and their families often face a hostile, unsafe, and unwelcoming environment in local schools, as well as discrimination in accessing financial aid and other support. *The financial penalty:* LGBT young people and the children of LGBT parents are more likely to perform poorly in school and to face challenges pursuing postsecondary educational opportunities. This, in turn, can reduce their earnings over time.



## Anti-LGBT Laws Create More Poverty Among LGBT Americans

These failures of law increase economic insecurity and poverty throughout the LGBT community. The result is that LGBT Americans are more likely than non-LGBT Americans to be poor, even though individuals in same-sex couples are more likely to be in the labor force than individuals in opposite-sex couples.

The majority of laws impacting the lives of LGBT Americans are state and local, rather than federal. In some states, LGBT people have a large degree of legal equality while in others, LGBT people are left completely unprotected or are deliberately targeted by anti-LGBT laws that financially penalize LGBT people. Household incomes for same-sex couples are lower in states with low levels of legal equality for LGBT people. For example, same-sex couples raising children in states without marriage equality have, on average, \$8,912 less in annual household income than married opposite-sex couples raising children in those states. The gap is only \$689 between same-sex and opposite-sex couples in states with marriage equality. And emerging research finds that female same-sex couples in states without marriage and those without employment protections are more likely to live in poverty than married opposite-sex couples in those states.

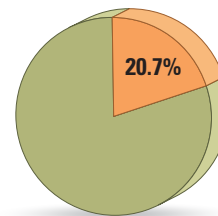
### Some LGBT People Are Harder Hit Than Others

At greatest financial risk due to anti-LGBT laws are LGBT people with children, LGBT people of color, LGBT older adults, and LGBT people living in states with low levels of LGBT equality. For example, African Americans in same-sex couples are more than twice as likely to live in poverty as African Americans in married opposite-sex couples; African American same-sex couples also have higher rates of poverty than white same-sex couples.

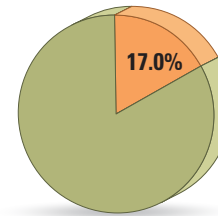
The most vulnerable members of the LGBT community have no ability to absorb the financial penalties created by anti-LGBT laws. They also lack the financial resources to take steps to mitigate the effects of these laws—for example, by getting expert accounting help to navigate an unfair tax system or by traveling to another state to marry so their relationship will be recognized by the federal government.

## EXTREMELY LOW INCOMES

LESS THAN \$12K PER YEAR

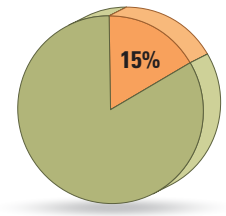


LGBT

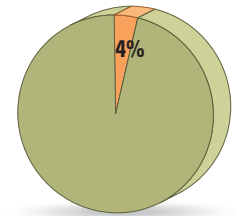


Non-LGBT

LESS THAN \$10K PER YEAR



Transgender People



General Population

Sources: Gary J. Gates, "LGBT Parenting in the United States," The Williams Institute, February 2013; M.V. Lee Badgett, Laura E. Durso, and Alyssa Schneebaum, "New Patterns of Poverty in the Lesbian, Gay, and Bisexual Community," The Williams Institute, June 2013; Gary J. Gates, "LGBT Parenting in the United States," The Williams Institute, February 2013; Jaime M. Grant, Lisa A. Mottet, Justin Tanis, Jack Harrison, Jody L. Herman, and Mara Keisling, "Injustice at Every Turn: A Report of the National Transgender Discrimination Survey," National Center for Transgender Equality and National Gay and Lesbian Task Force, 2011.

## Recommendations for Change

It is time to put an end to the financial penalties that LGBT Americans face simply because they are LGBT. Action is needed on three main fronts. First, policymakers at all levels need to update laws to prohibit discrimination against LGBT people in areas from hiring to housing and credit. Second, policymakers need to update how laws and regulations define family so that LGBT families have access to the same protections and benefits that are available to other families. And last but not least, it is time for action to make America's schools safer and more welcoming for LGBT students and the children of LGBT parents so they can have the same opportunities as everyone else to get the education they need to build successful and rewarding lives.

#### NOTE ABOUT THIS EXECUTIVE SUMMARY

This is a shorter version of the full report, *Paying an Unfair Price: The Financial Penalty for Being LGBT in America*, available online at [www.lgbtmap.org/unfair-price](http://www.lgbtmap.org/unfair-price), or through any of the co-author or partner websites.

This report focuses on the impact of financial penalties on LGBT people, including vulnerable populations. In addition to the introduction, this condensed report details the core argument that LGBT people are forced to pay an unfair price for being LGBT - and one that jeopardizes their economic security. It also offers high-level recommendations.

The full report, in contrast, provides detailed policy analyses and an exploration of the financial penalties facing LGBT people as a result of three primary failures of law: 1) lack of protection from discrimination; 2) lack of family recognition; and 3) hostile educational environments. The full report also includes personal stories and detailed recommendations.

Center for American Progress



1333 H Street NW, 10th Floor • Washington, DC 20005  
202-682-1611  
[www.americanprogress.org](http://www.americanprogress.org)



movement advancement project ▶

2215 Market Street • Denver, CO 80205  
720-274-3263  
[www.lgbtmap.org](http://www.lgbtmap.org)