



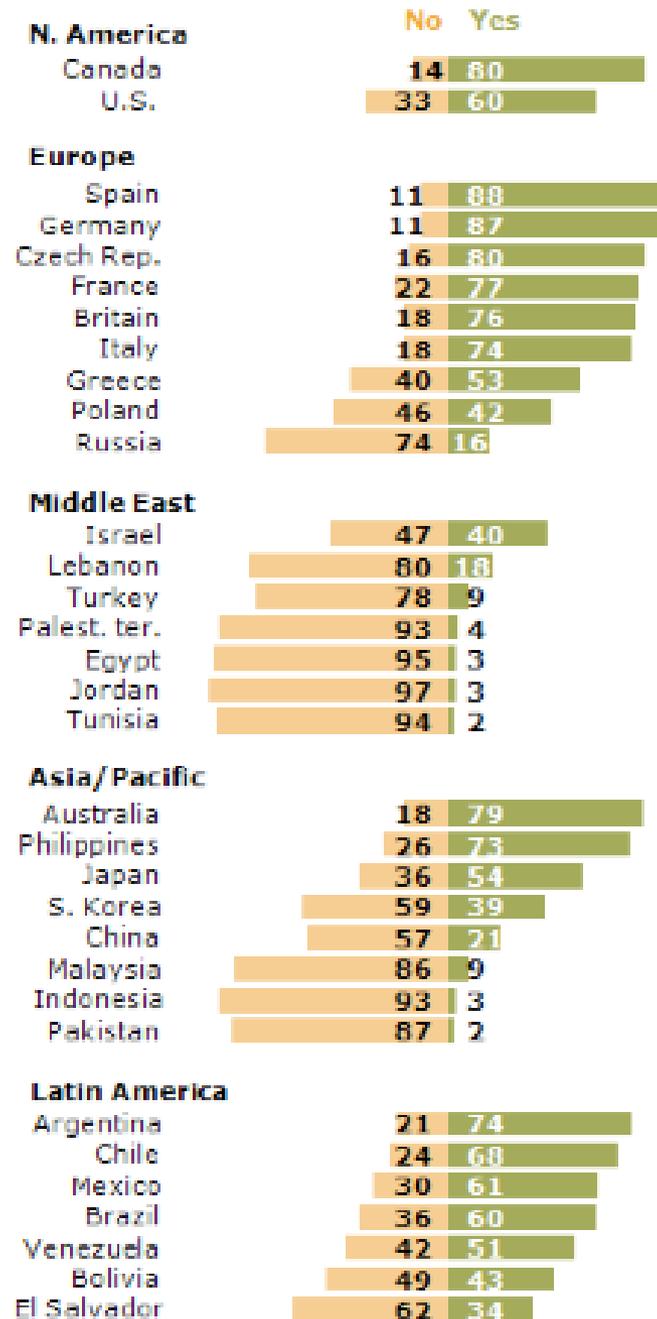
The Economic Cost of Exclusion of LGBT people

M. V. Lee Badgett
University of Massachusetts Amherst
Williams Institute, UCLA
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Should Society Accept Homosexuality?

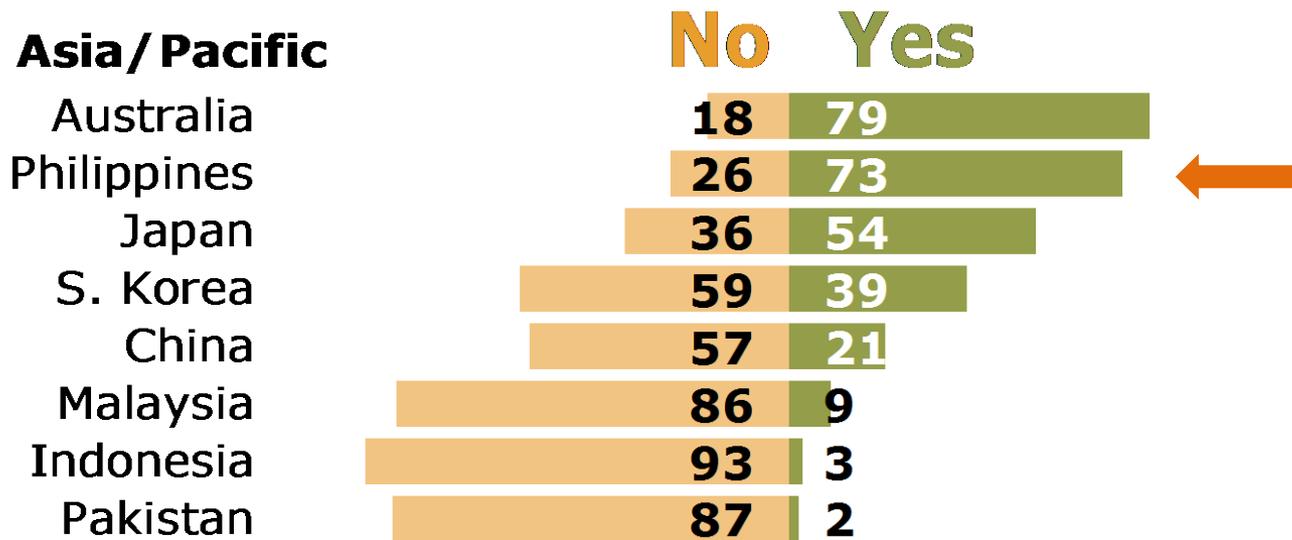


Source: Pew Research
Global Attitudes Project



Relatively accepting of homosexuality

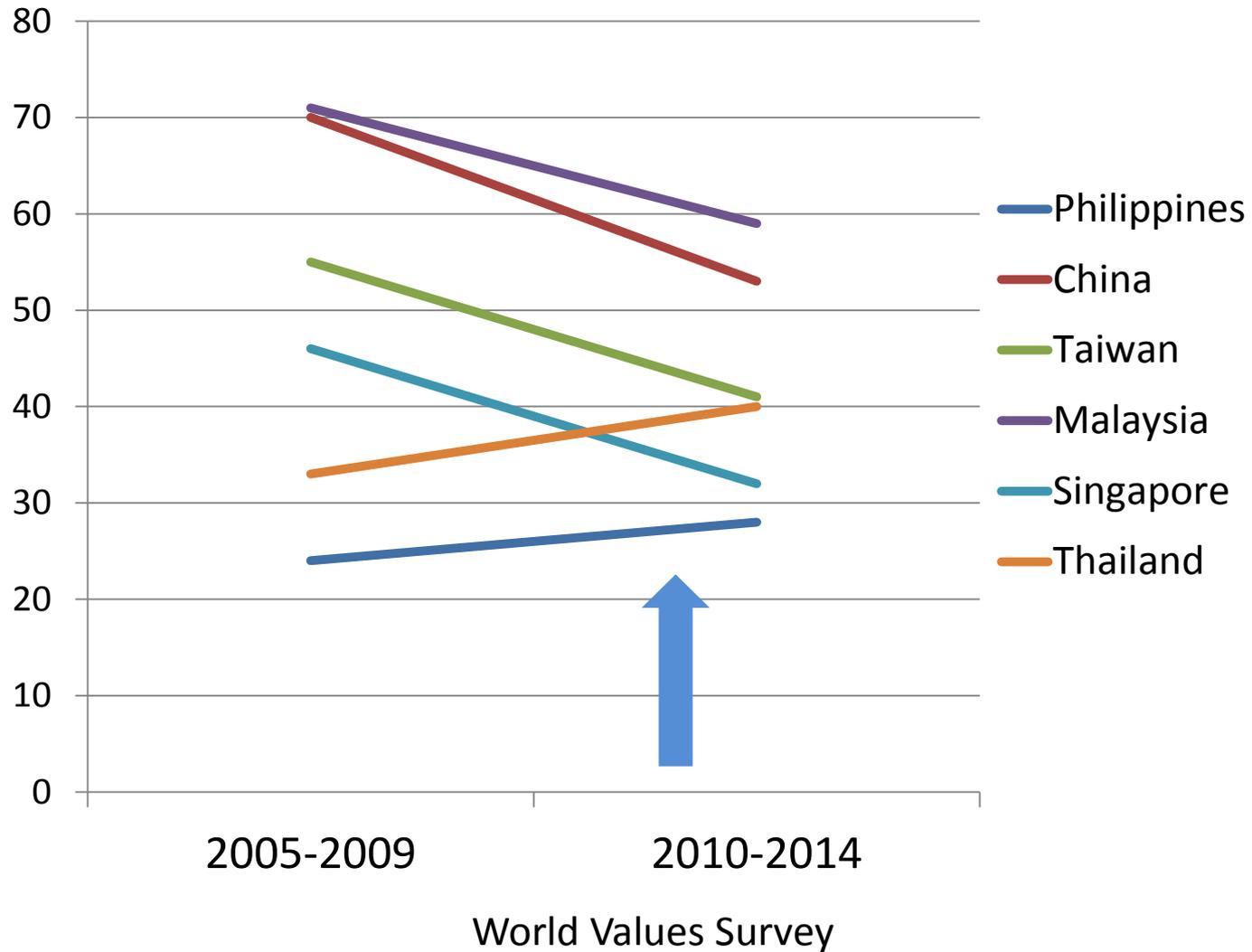
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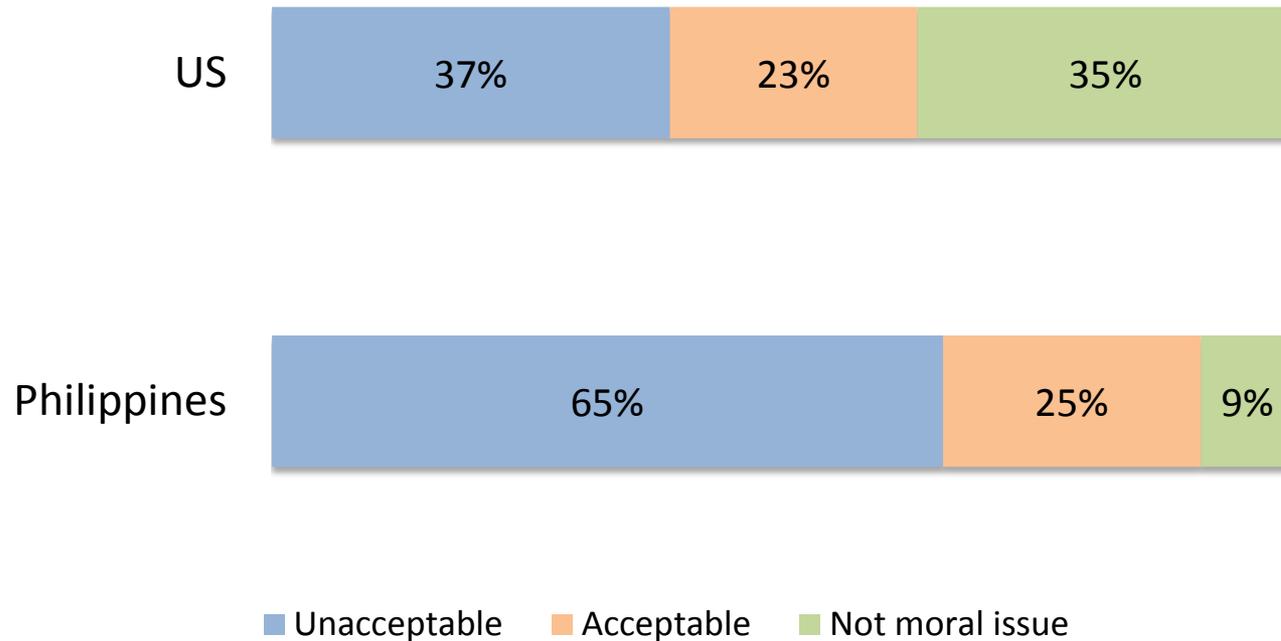


% would not want homosexual neighbor

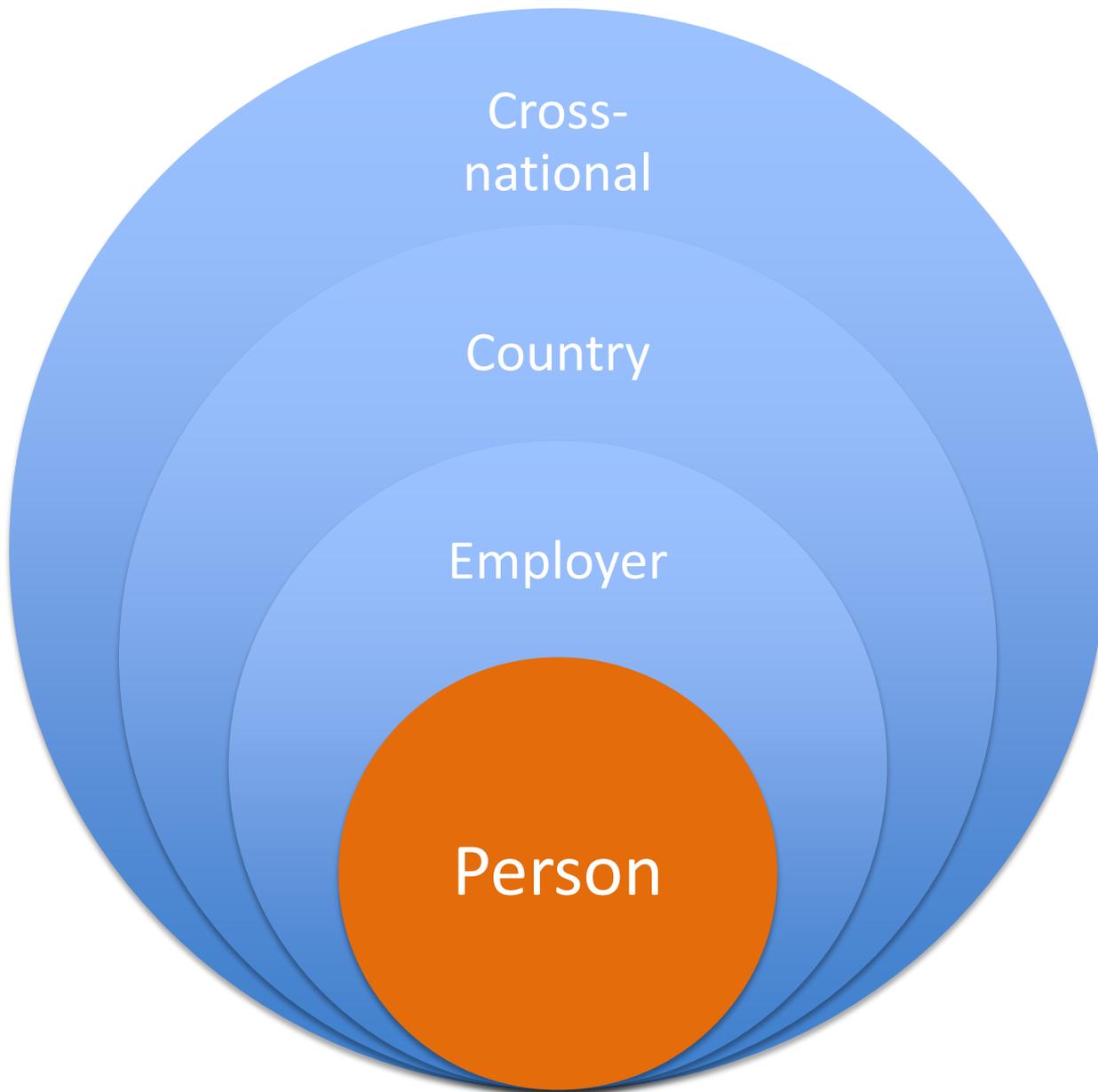




But most believe homosexuality is morally unacceptable



Source: Pew Research Center Global Views on Morality



Cross-national

Country

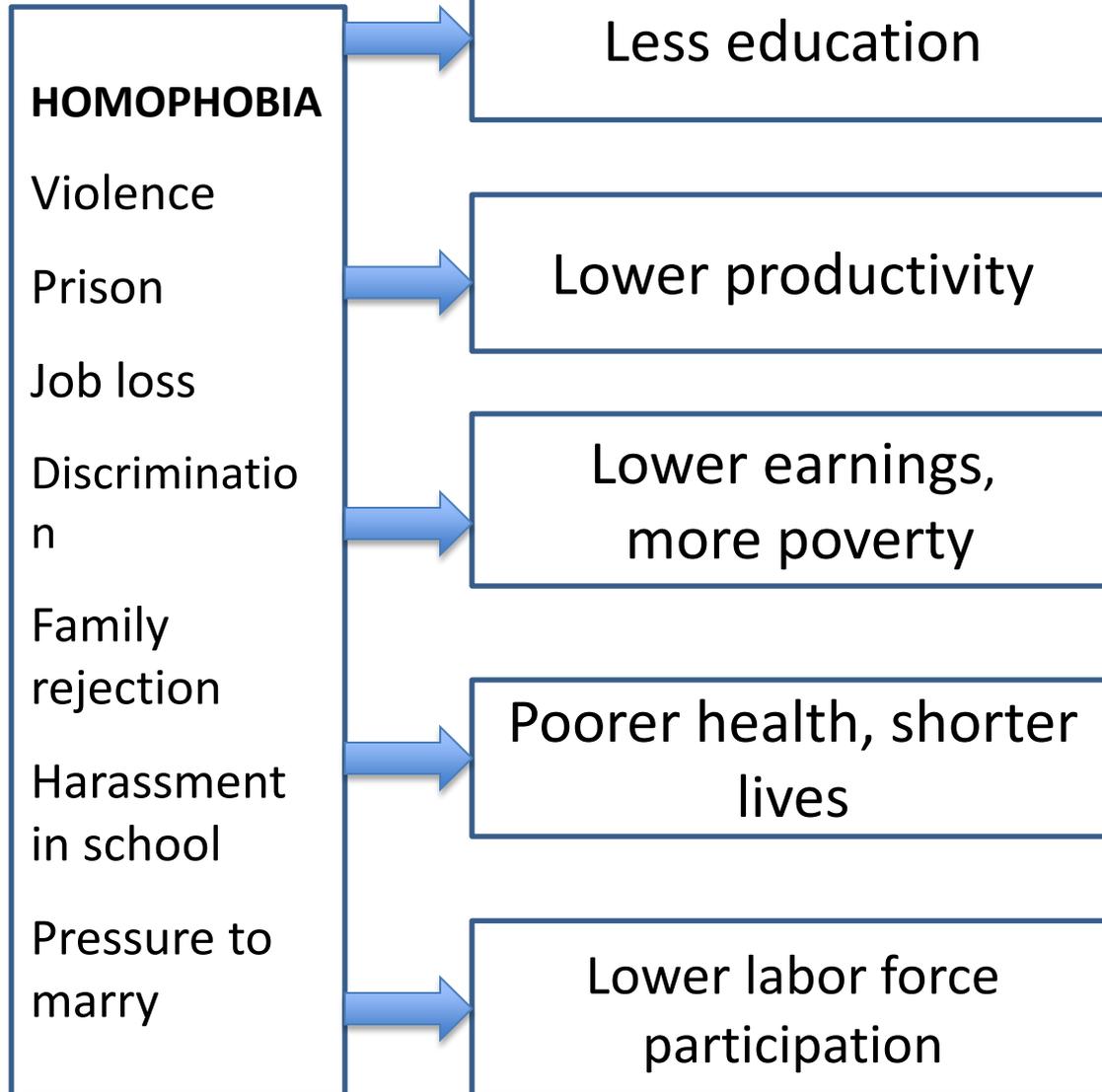
Employer

Person



Social Exclusion

Individual-level outcomes





Social Exclusion

Individual-level outcomes

Economy-level outcomes

HOMOPHOBIA
Violence
Prison
Job loss
Discrimination
Family rejection
Harassment in school
Pressure to marry



Less education

Lower productivity

Lower earnings,
more poverty

Poorer health, shorter
lives

Lower labor force
participation



Higher health care
& social program
costs

Lower
economic
output

Fewer incentives
to invest in human
capital



Social Exclusion

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Economy-level outcomes

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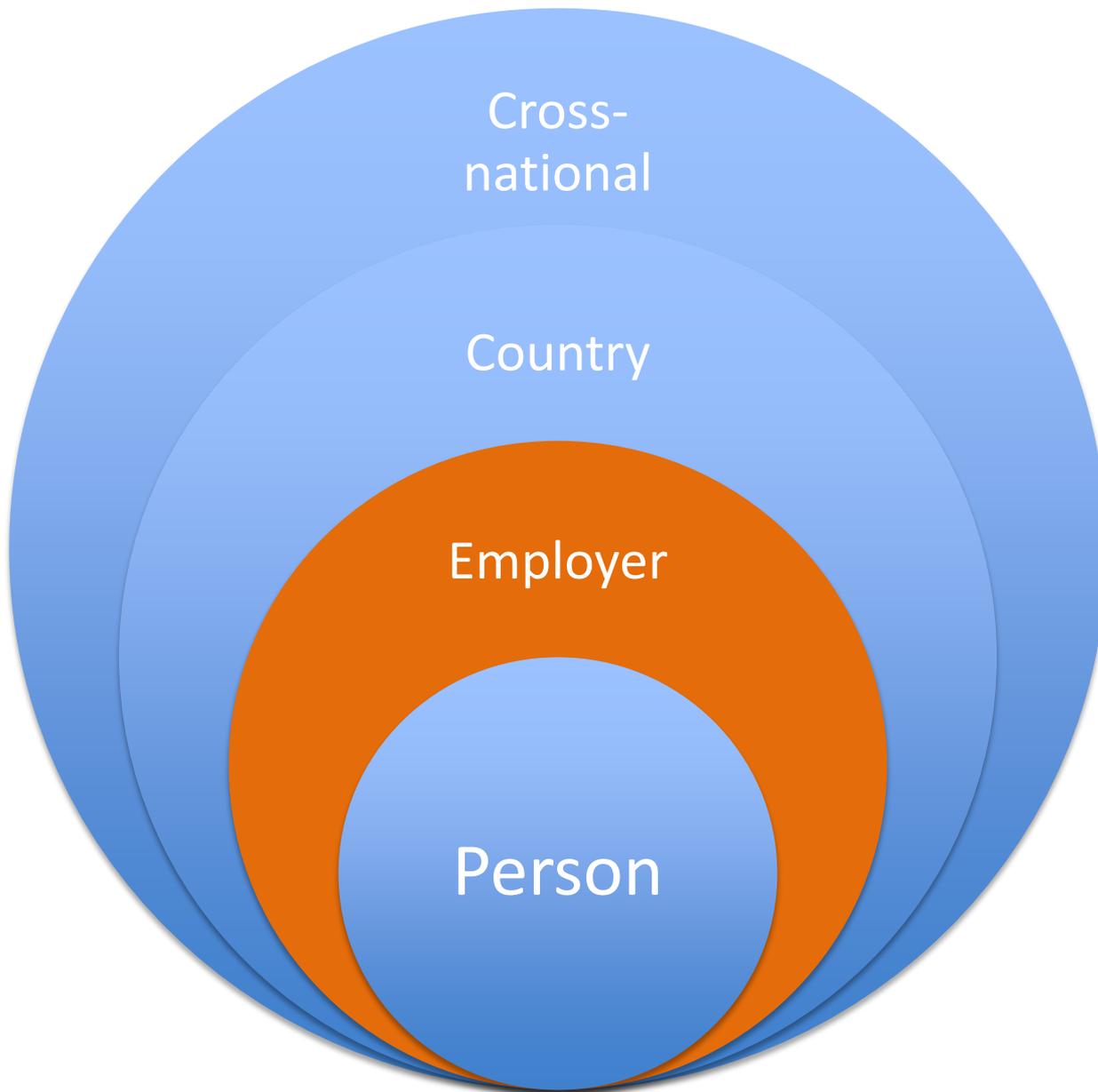
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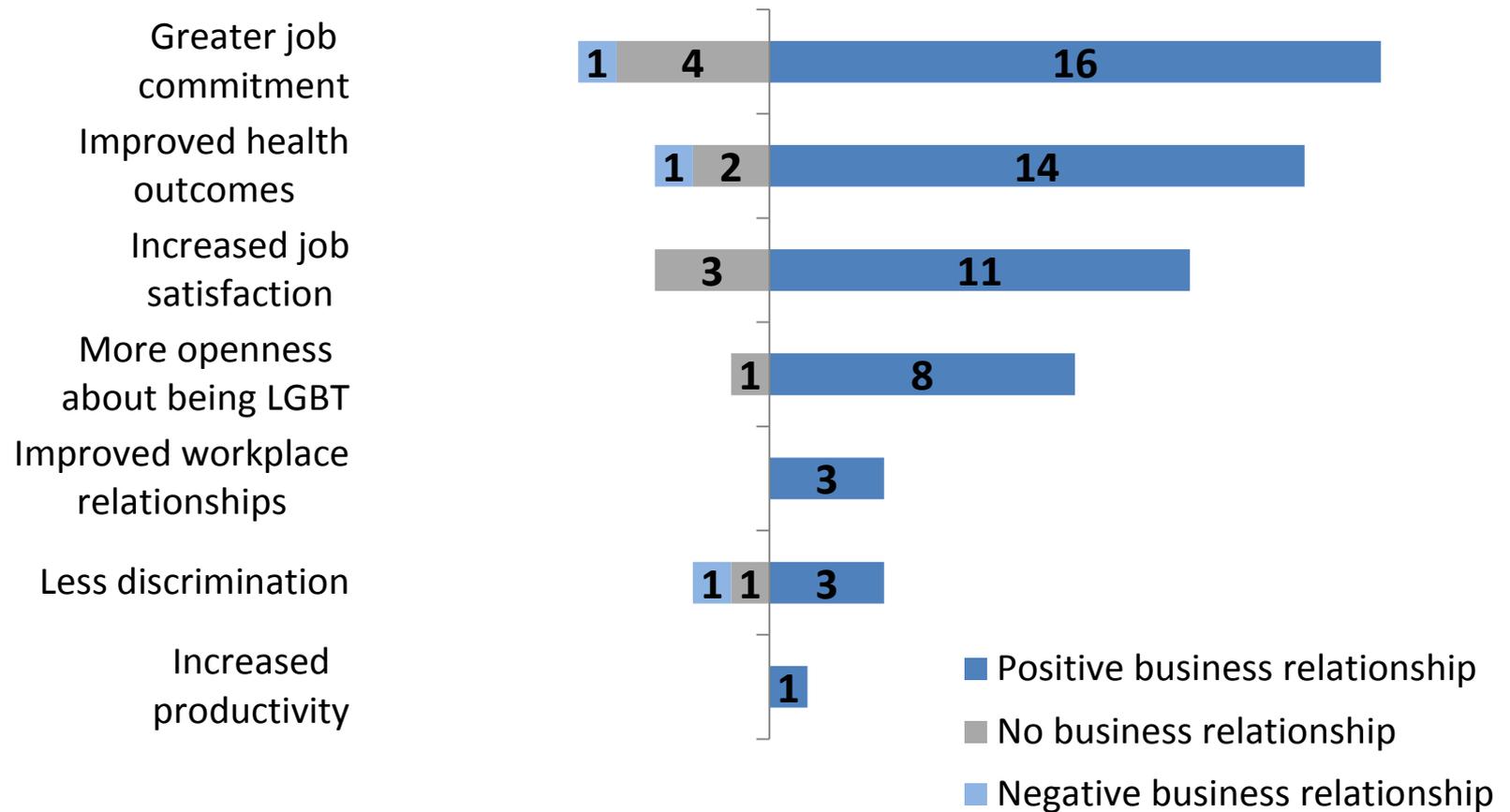


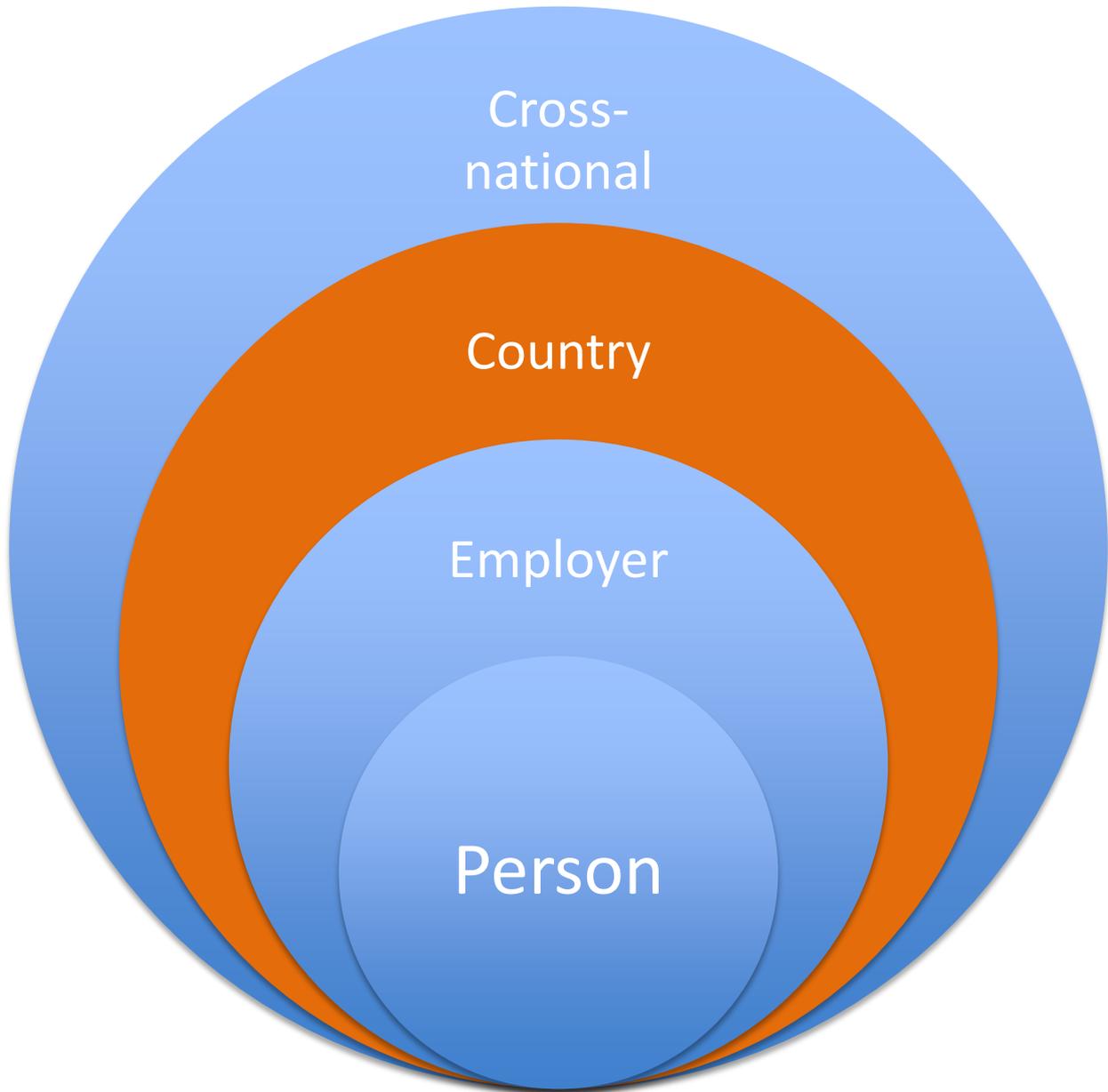
**“[Discriminatory laws] can
impede business efforts to
recruit, hire, and retain the best
workers in an environment that
enables them to perform at
their best.”**

Hewlett-Packard
Intel
Google
Barnes & Noble
Microsoft
Verizon
Apple
Aetna
Glorox
Nike
Office Depot
Morgan Stanley
Viacom
Xerox
Facebook
McGraw Hill



LGBT-supportive policies and workplace climates generate economic benefits for employers







Social Exclusion

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World Bank Case Study: Cost of LGBT Exclusion in India

The model can estimate:

- Lost productivity caused by discrimination in ***workplace***
- Impact of family constraints on decision-making about ***labor force participation***
- Cost of ***health*** disparities: HIV, depression, suicide

Rough estimate: 0.1 to 1.4% of GDP

A sketch of a model for The Philippines (Zhang, 2015)

(1) **Lost labor productivity**

- ~ 3% of young Filipino young men reported same-sex attraction (Manalastas, 2013)
- Assumption: 10% global gay wage gap
- $(10\% \times \text{average earnings}) * (3\% \times \text{labor force})$
= \$254 million

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A sketch of a model for The Philippines (Zhang, 2015)

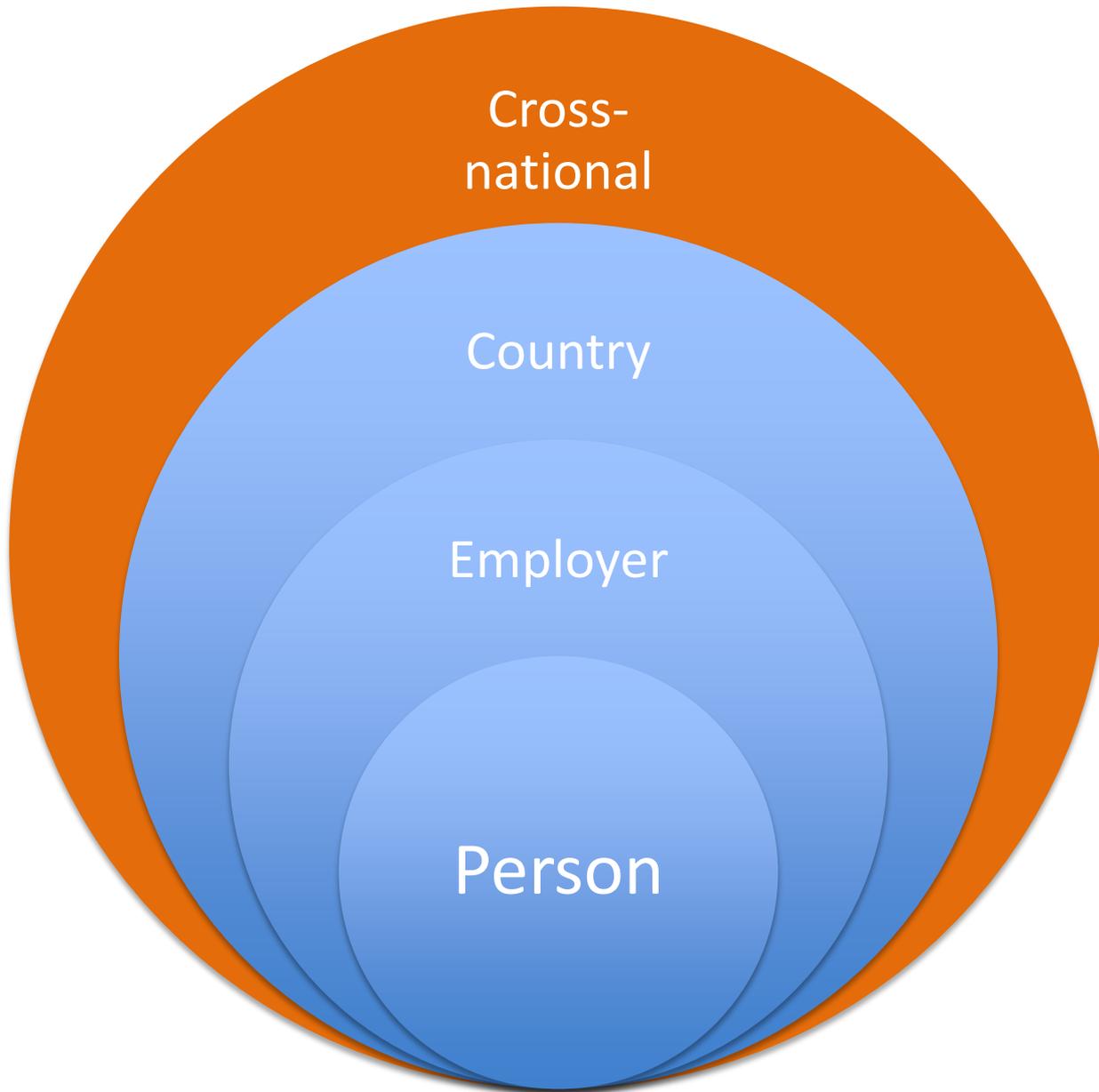
(2) Health disparities

- HIV (UNAIDS)
 - MSM prevalence: 3.3%
 - Assume about 3 times higher than population (less than 1%), rate cut in half without stigma and exclusion
- Suicide
 - Population: 2.9 per 100,000 (WHO)
 - Suicide ideation for young same-sex attracted men twice that of diff-sex (Manalastas, 2013)
 - Assume LGBT suicide rate twice than of population
- Use DALYs for cost: total \$293 million

A sketch of a model for The Philippines (Zhang, 2015)

- Workplace: \$284 million
- Two Health disparities: \$293 million
- TOTAL: \$548 million

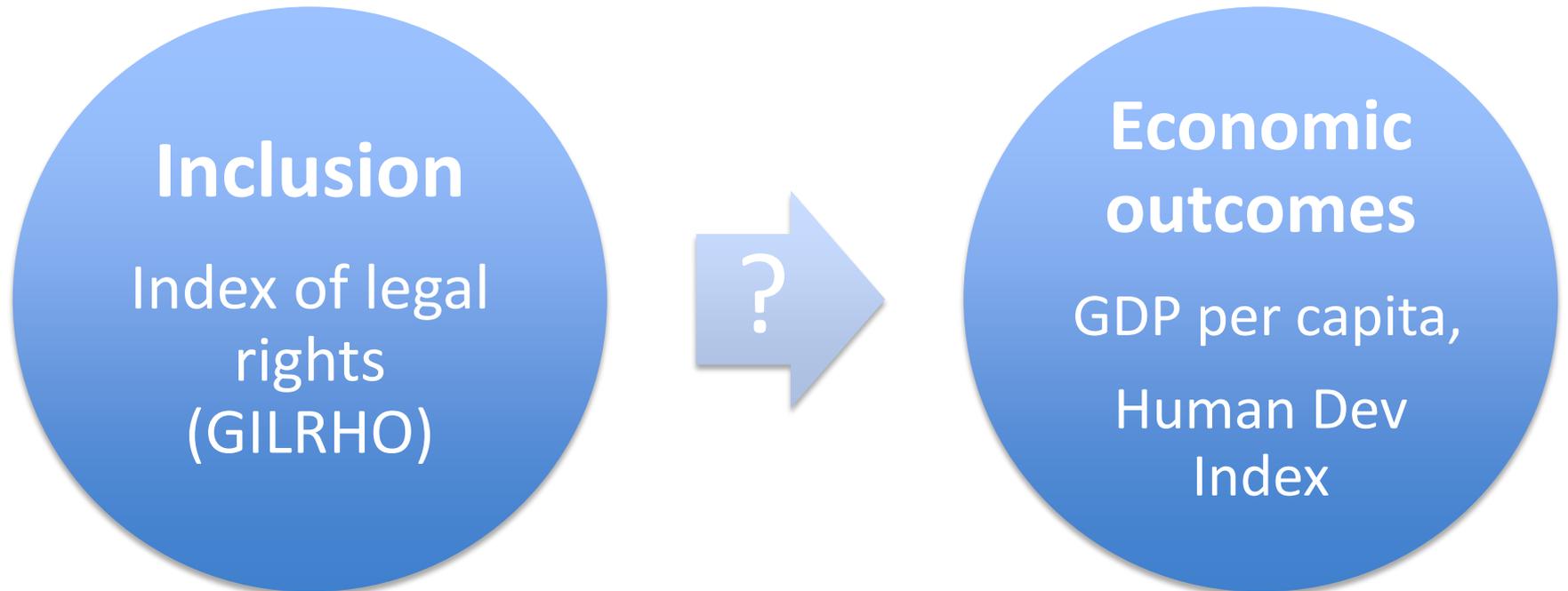
→ 0.2% of GDP





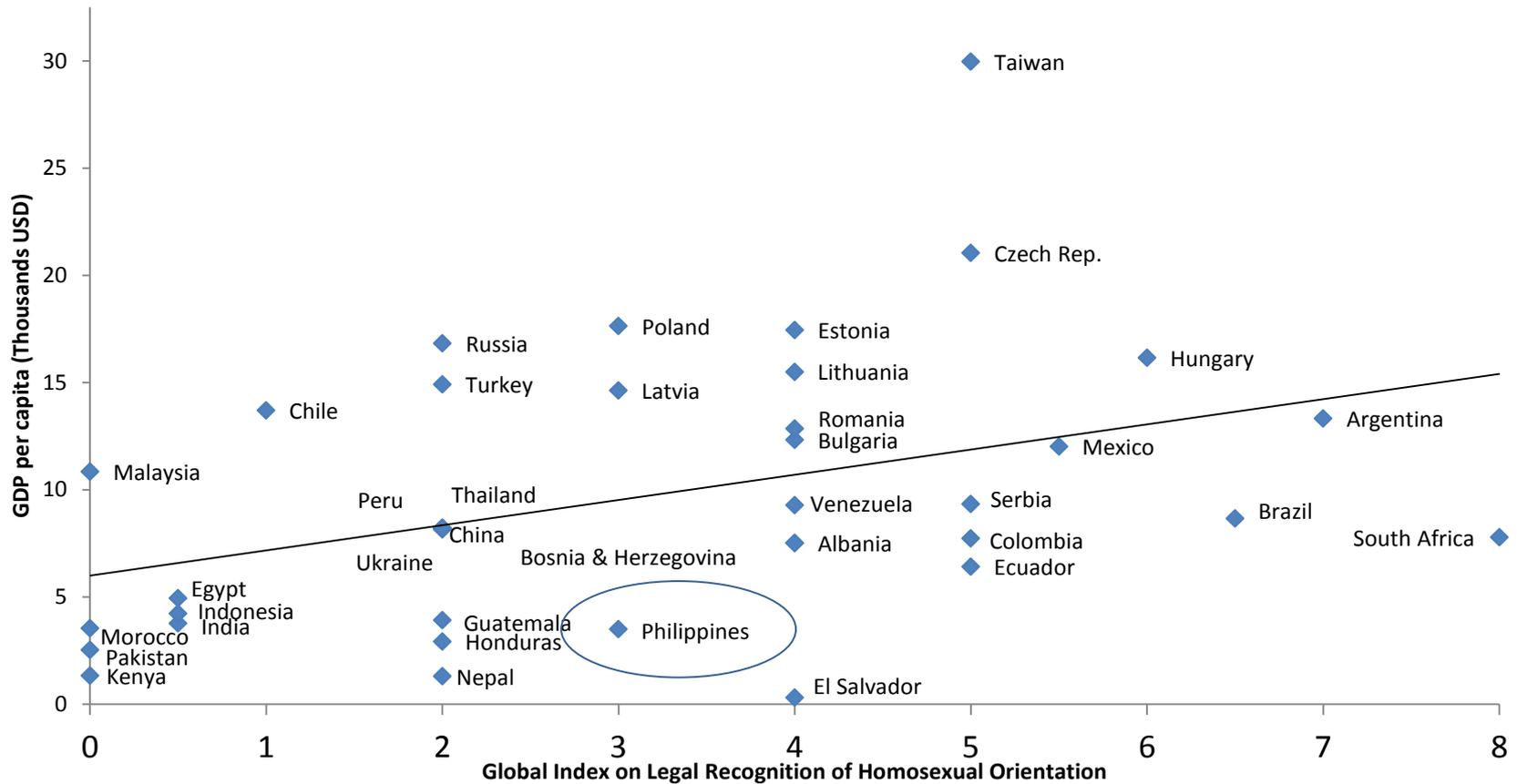
Compare countries

(USAID & Williams Inst. 2014)



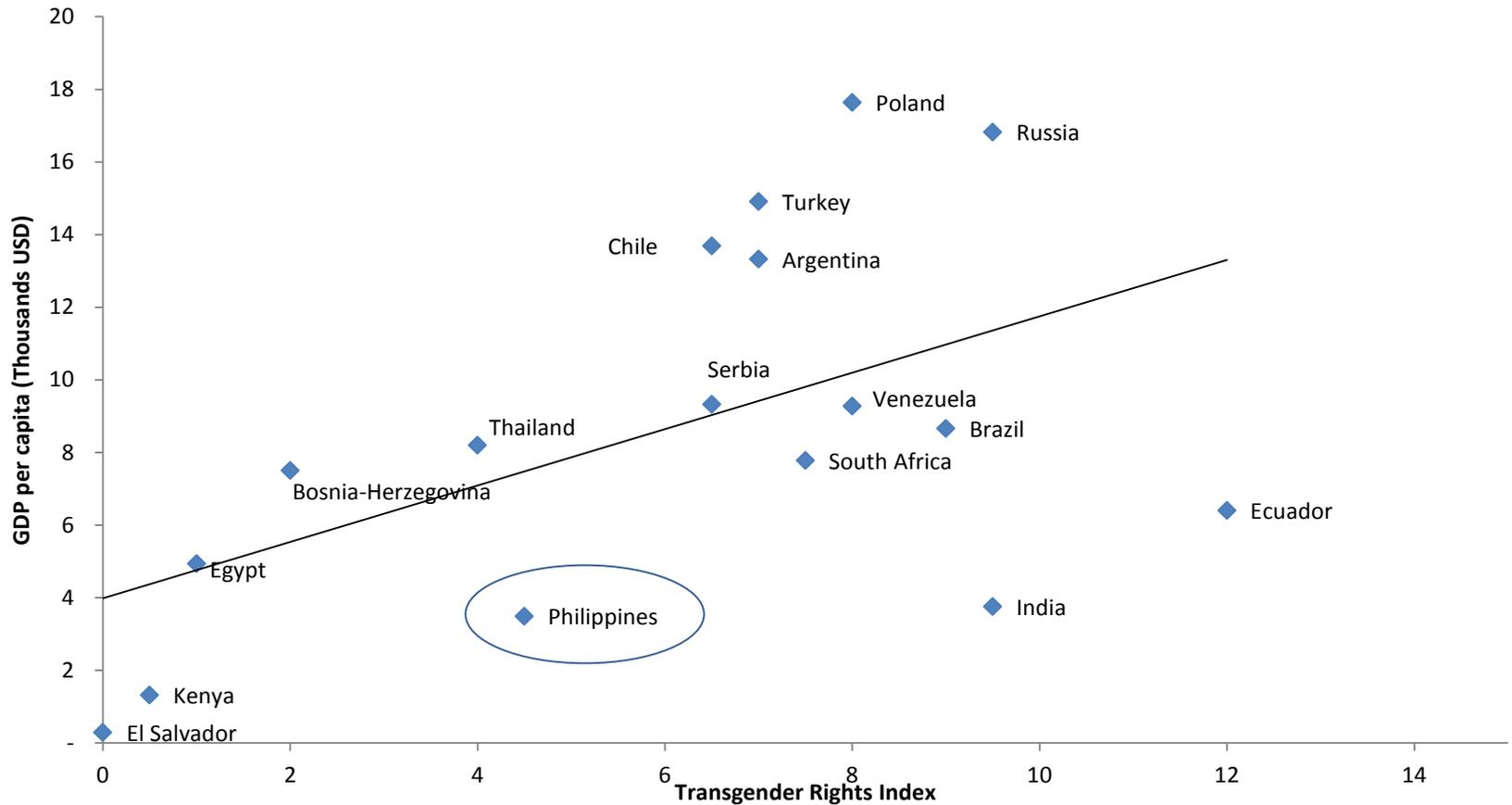


Positive correlation of rights with GDP per capita, 2011





Transgender rights positively correlated with GDP per capita 2011

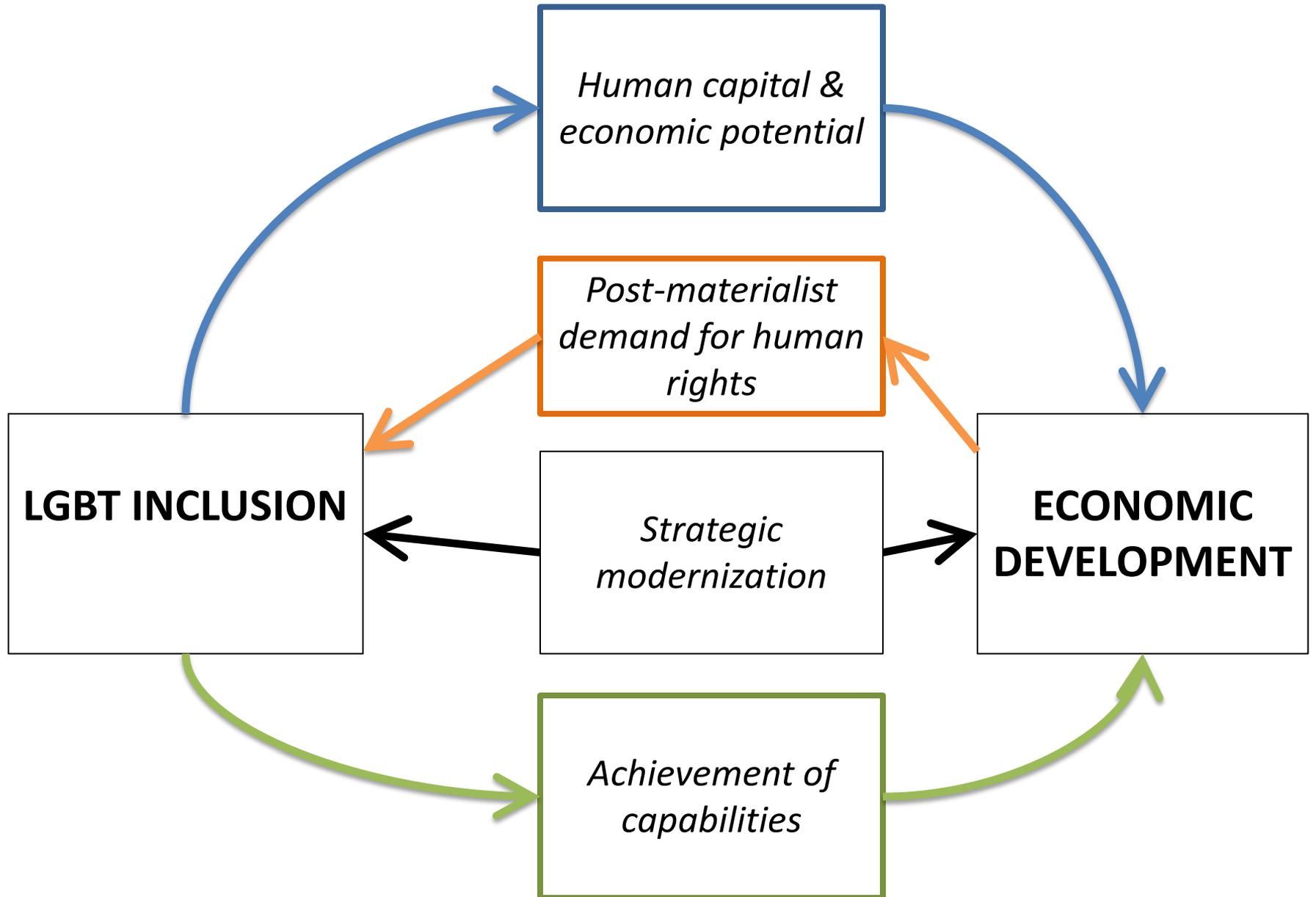


Econometric findings

One additional
right



+ \$320 GDP
per cap (3%)





Ideas → Action

- UN Development Programme
- World Bank
- Inter-American Development Bank
- Development agencies in
 - United States (USAID)
 - Sweden
 - Norway
 - Netherlands
 - UK
 - Germany