EY
Building a better
working world
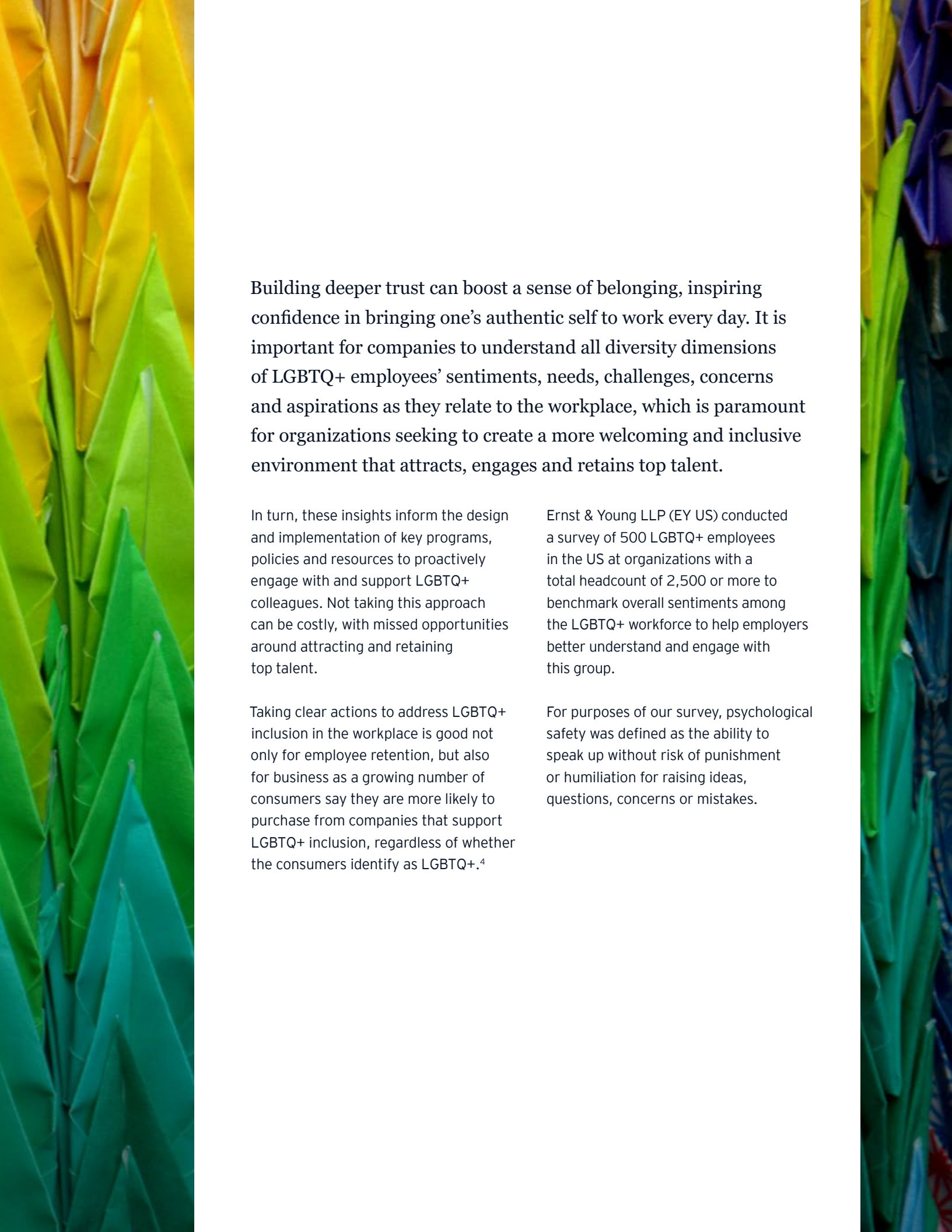
2024 EY US LGBTQ+ Workplace Barometer

In the US, the LGBTQ+ (Lesbian, Gay, Bisexual, Transgender, Queer) community comprises nearly 14 million adults and is growing rapidly.[1] This growth is due in part to the fact that members of Generation Z, also known as Gen Z (i.e., people born between 1997 and 2012), are six times more likely than Generation X to identify as LGBTQ+.[2] Given that 30% of the US civilian labor force is projected to be Gen Z by the year 2030,[3] it's important for companies to be more intentional in their efforts to attract and engage the LGBTQ+ workforce as both an organizational culture and business imperative.

14 m
US adult LGBTQ+ community

30%
Projected US Gen Z civilian labor force in 2030

Building deeper trust can boost a sense of belonging, inspiring confidence in bringing one's authentic self to work every day. It is important for companies to understand all diversity dimensions of LGBTQ+ employees' sentiments, needs, challenges, concerns and aspirations as they relate to the workplace, which is paramount for organizations seeking to create a more welcoming and inclusive environment that attracts, engages and retains top talent.

In turn, these insights inform the design and implementation of key programs, policies and resources to proactively engage with and support LGBTQ+ colleagues. Not taking this approach can be costly, with missed opportunities around attracting and retaining top talent.

Taking clear actions to address LGBTQ+ inclusion in the workplace is good not only for employee retention, but also for business as a growing number of consumers say they are more likely to purchase from companies that support LGBTQ+ inclusion, regardless of whether the consumers identify as LGBTQ+.[4]

Ernst & Young LLP (EY US) conducted a survey of 500 LGBTQ+ employees in the US at organizations with a total headcount of 2,500 or more to benchmark overall sentiments among the LGBTQ+ workforce to help employers better understand and engage with this group.

For purposes of our survey, psychological safety was defined as the ability to speak up without risk of punishment or humiliation for raising ideas, questions, concerns or mistakes.

Generational considerations

Gen Z:

3x More likely to be unsure of their employer's LGBTQ+ inclusion efforts

C+ Grade of their employer's inclusion efforts

40% Left jobs because their employer was not welcoming to LGBTQ+ employees

Approximately 20% of Gen Z adults identify as LGBTQ+ (vs. 3% of Gen X adults).[5] Within our survey, Gen Z respondents were three times more likely than the overall group surveyed to report feeling unsure about their company's initiatives focused on LGBTQ+ employees. In addition, while survey respondents from every other generation gave their employer a grade of B for LGBTQ+ inclusion efforts, the average grade given by Gen Z participants was less favorable, a C+.

Given these statistics, along with the projection that 40% of the US workforce will be people of color[6] and 30% will be Gen Z by 2030,[7] companies seeking to attract and retain top talent should take an intersectional approach that considers the multiple dimensions of diversity to their talent initiatives around belonging and inclusion to drive a long-term impact. By one estimate, missing the mark with Gen Z LGBTQ+ employees could lose access to a talent pool of up to 10 million workers

by 2030.[8] Thirty-six percent of millennial LGBTQ+ employees and 40% of Gen Z LGBTQ+ employees who left their jobs were leaving companies that were not welcoming to LGBTQ+ employees.

Leading practices to address these challenges include LGBTQ+ Business Resource Groups (BRGs), mentoring programs, inclusive leadership training, frequent communications that share new developments and programming, and robust allyship initiatives that foster collaboration. Like every generation before them, Gen Z professionals bring unique perspectives, experiences and learning preferences to the workplace. Meeting them where they are by soliciting their feedback on company policy around LGBTQ+ inclusion will go a long way toward providing the psychological safety and belonging that are crucial to driving retention, career progression and overall positive workplace experiences.

An intersectional lens on LGBTQ+ inclusion

Intersectionality is defined as the recognition that multiple forms of discrimination (e.g., homophobia, racism, classism, ageism and sexism) can exist simultaneously and often overlap among communities and individuals who embody multiple dimensions of diversity. To that end, our survey also reveals that LGBTQ+ employees who are racially or ethnically diverse (R&ED) were 1.7 times more likely than their White LGBTQ+ peers to have experienced harassment in a previous employment setting and 2.3 times more likely to have experienced microaggressions (i.e., subtle actions or comments that, often unintentionally, express prejudice toward a marginalized group) in the workplace. Thirty-six percent of R&ED LGBTQ+ workers said

they have hidden or suppressed aspects of their personality to avoid harassment or discrimination at work, compared with 24% of White LGBTQ+ workers. Secondary research[9] on this topic supports the disparities that LGBTQ+ professionals of color experience in the workplace, concluding:

▸ 50% believe that they must outperform their non-LGBTQ+ colleagues to attain the same level of recognition (vs. 40% of White LGBTQ+ respondents).

▸ 42% say that their professional advancement is hindered by their LGBTQ+ identity (vs. 33% of their White LGBTQ+ peers).

Intersectionality is the recognition that multiple forms of discrimination can exist simultaneously and often overlap among communities and individuals who embody multiple dimensions of diversity.

1.7x

R&ED LGBTQ+ employees have experienced harassment in a previous employment setting, compared to White LBGTQ+ employees

2.3x

R&ED LGBTQ+ employees have experienced microaggressions in the workplace, compared to White LGBTQ+ employees

Retention over the next year

$4.2 m

Estimated annual savings in turnover costs if retention of LGBTQ+ employees improves by just 5%

With employee retention top of mind for most organizations, we asked survey respondents whether they expect to remain with their current employer for the next year. Encouragingly, 97% of participants who rated their organization highly on the barometer responded in the affirmative. On the other end of the spectrum, however, just 38% of respondents who gave their employer a lower rating expect to stay with their employer over the next year.

These disparate response rates demonstrate that psychological safety and belonging − the primary focus of our survey questions − are strong and direct predictors of retaining LGBTQ+ employees. Delving deeper into psychological safety as it relates specifically to the LGBTQ+ community, our survey questions explore experiences and sentiments around discrimination, harassment, unfair treatment and microaggressions. To that end, psychological safety also includes a sense of belonging within an organization and the belief that one can be one's authentic self in workplace settings without the fear of negative treatment, stereotyping or stigmatization. If people don't experience psychological safety, they're not going to feel comfortable disclosing who they are.

From a business and career development perspective, psychological safety among LGBTQ+ employees translates to confidence around actively pursuing advancement within an organization, recommending an employer to peers, remaining with an organization for the long term and believing that one can reach one's full professional potential. Even modest improvements in LGBTQ+ retention can drive significant cost savings. For example, for the average Fortune 500 company, which has about 62,000 employees, improving retention of LGBTQ+ employees by just 5% could result in annual savings of nearly $4.2 million in turnover costs alone.[10]

Respondents who are likely to remain at their company for the next year

97%
High index score

59 percentage points
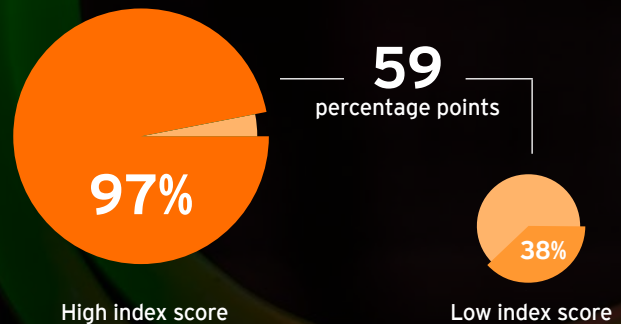
38%
Low index score

Our study demonstrates that to enhance retention among LGBTQ+ employees, business leaders should develop end-to-end strategies that boost their employees' sense of belonging and inclusion. Key actions include being more intentional about inclusion when designing ongoing employee surveys. For example, questions that gauge sentiments about psychological safety, belonging, career progression opportunities, company advocacy and other key areas can yield significant insights. In addition to ensuring confidentiality to encourage candid responses, companies should embed within these employee surveys an optional feature allowing participants to self-identify across several dimensions of identity, including LGBTQ+. This enhanced visibility could help organizations fine-tune their messaging and programming focused on LGBTQ+ and related intersectionality, which in turn could drive retention.

After administering these surveys, companies should evaluate the resulting data thoroughly, noting trends, variations across demographics and potential areas of improvement.

Through open dialogue about the insights gained from this analysis, leaders can then develop an impactful, accessible communications strategy that keeps all members of the organization involved and informed about LGBTQ+ events and programming.

Both taking action based on these survey findings and being guided by the communications strategy are important to show that your organization is listening, taking action and reporting out. Relevant programming that can help move the needle organizationally on LGBTQ+ psychological safety and belonging includes targeted allyship programs, BRG engagement and leadership development opportunities. Providing wellness resources for those who are experiencing challenges around psychological safety will also be important to support people individually.

To benchmark progress, organizations should create a continual feedback loop to measure the impact of the implemented actions and adjust initiatives accordingly. Celebrating improvements and successes helps reinforce the commitment of the

Moving the needle on psychological safety and belonging:

- ‣ Targeted allyship programs
- ‣ Business Resource Group engagement
- ‣ Leadership development opportunities
- ‣ Wellness resources

company while also driving greater visibility and awareness among the workforce around these efforts. Consider leveraging benchmarking tools with LGBTQ+ and diversity-focused leading organizations that provide insights, guidance and leading practices around LGBTQ+ inclusion. Through these efforts, leaders can build a culture that values the continual pursuit of equity and inclusion.

Career advancement and leadership opportunities

Because LGBTQ+ inclusion and career advancement opportunities are closely intertwined, we asked survey participants about their own career progression prospects. Among those who have high feelings of psychological safety within their organization, 89% said they saw their company as a place where they can advance to a more senior level. For respondents with a low sense of psychological safety, just 48% said the same about their own advancement prospects – a gap of more than 40 percentage points. At a time when just 0.8% of Fortune 500 CEO roles[11] and only 0.6% of Fortune 500 board seats[12] are held by LGBTQ+ people, the lack of visible LGBTQ+ representation at the highest levels of corporate leadership can be interpreted that visible LGBTQ+ people cannot be successful in these roles.

LGBTQ+ leadership visibility can be highlighted simply through leader bios and more in-depth through formal and informal storytelling. Leadership development and sponsorship that nurture top LGBTQ+ talent early on enhance both LGBTQ+ visibility and representation in management roles. Leveraging programs that provide key learning around skills development, leadership techniques and career progression can go a long way toward diversifying leadership pipelines in this way. As more LGBTQ+ colleagues embark on this career advancement journey, companies should also benchmark progress regularly and make adjustments as needed based on participant feedback and other data.

Respondents who see employer as a place where they can advance to a more senior level

89%
High psychological safety

41 percentage points

48%
Low psychological safety
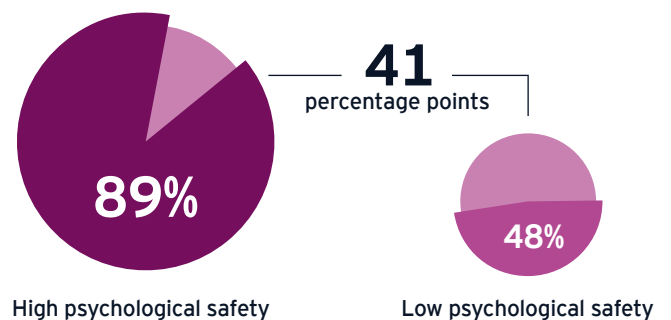
Leadership development initiatives should consider both mentorship and sponsorship for equitable advancement of LGBTQ+ leaders.

Mentorship and building peer-to-peer mentor networking empowers LGBTQ+ employees to share their knowledge and experiences. Relatedly, providing equitable sponsorship opportunities can enable organizations to advance high-performing LGBTQ+ professionals into pivotal leadership roles. While mentors offer their mentees guidance and insights into the overall career journey, sponsors advocate directly on behalf of their protégés with company leadership, recommending them for key opportunities and personally investing in their professional growth.

Sharing stories that highlight the professional successes of LGBTQ+ employees and celebrate promotions of LGBTQ+ leaders also imparts a sense of collective and individual accomplishment, providing visible role models for this population. In addition, it underscores that championing LGBTQ+ advancement and visibility as a core value of the organization could inspire colleagues who don't feel a strong sense of belonging and inclusion.

In another recent survey, the EY Global Belonging Barometer, nearly 80% of LGBTQ+ respondents felt they couldn't share, or were reluctant to share, dimensions of their identity while at work for fear it would hold them back professionally. As such, ongoing open dialogue forums that enable LGBTQ+ employees to engage in candid discussions about their aspirations and concerns in a safe and supportive environment are also crucial.

Impact of state-based LGBTQ+ policies

70%

LGBTQ+ professionals are concerned about the increase in anti-LGBTQ+ legislation

With the legal and policy landscape around LGBTQ+ rights in the US continuing to evolve quickly, we looked to see if there was a correlation in how policies related to LGBTQ+ at the state level are impacting psychological safety and other perceptions among LGBTQ+ professionals in the workplace. To do so, we leveraged research that grouped states on the basis of policy records around major categories of laws covering Relationship & Parental Recognition, Nondiscrimination, Religious Exemptions, LGBTQ Youth, Health Care, Criminal Justice, and Identity Documents.[13]

Among respondents who reside in the 15 states that have demonstrated the most positive policy record in this area, 84% reported feeling psychologically safe at work (vs. 72% of those living in the 15 states with the most negative policy record on LGBTQ+ civil rights

and inclusion). This 12-point distinction underscores that LGBTQ+ friendly policies are a major driver of belonging and inclusion for the LGBTQ+ community.

We also asked survey participants about LGBTQ+ representation across all levels at their companies — again segmenting responses based on positive or negative state government policy on LGBTQ+ rights. Among respondents who live in states with the most positive policy records, 89% believed their company demonstrates LGBTQ+ representation. On the other hand, just 69% of participants living in a state with a negative policy record agreed with this statement — a 20-point deficit. Additionally, our survey indicates that 70% of all LGBTQ+ professionals were concerned about the increase in anti-LGBTQ+ legislation, regardless of where they reside.
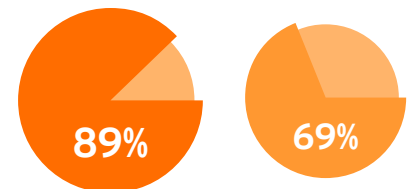
Felt psychologically safe at work
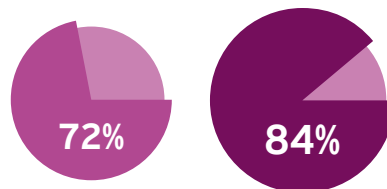
72%

15 states with most negative LGBTQ+ policy record

84%

15 states with most positive LGBTQ+ policy record

Believed their company demonstrates LGBTQ+ representation

89%

15 states with most positive LGBTQ+ policy record

69%

15 states with most negative LGBTQ+ policy record

To address these concerns and provide a sense of unwavering support for their LGBTQ+ colleagues during challenging times, business leaders should consider developing a comprehensive diversity, equity and inclusion (DEI) strategy modeled on the company's values statement or code of conduct.

Consider leading practices outside your organization and leverage frameworks such as the Corporate Equality Index from the Human Rights Campaign. This index outlines specific initiatives for an LGBTQ+ inclusive workplace to address LGBTQ+ needs, including commitments to nondiscrimination workplace protections, domestic partner benefits, transgender-inclusive health care benefits, allyship and other awareness-building programs, recruiting, and public engagement with the LGBTQ+ community.[14] This strategy should also align with continually evolving expectations around diversity and inclusion from outside stakeholders, including investors, customers and clients. Companies that provide public disclosures around their progress in advancing LGBTQ+ inclusion and other DEI initiatives can build trust with their people and other stakeholders.

Employers should also provide managers with tools to be supportive, including holistic training on inclusive leadership and specific LGBTQ+ issues. Key issues include the need for competent and accessible health care, the fear of being outed with the potential impact on one's physical safety, and the ongoing stereotyping and stigmatization of the LGBTQ+ community amid a polarizing political climate. This enables greater trust among team members, provides support that aligns with broader expectations and guidance around diversity and inclusion, and leads by example in creating an inclusive work environment.

According to our US Generation Survey, 49% of LGBTQ+ respondents say their company's position on social issues impacts their decision to stay with their employer "a great deal" or "a lot."

To that end, companies should focus on localized support systems, including business resource groups, to provide the leadership and support needed to drive success. These groups focus on fostering a safe and inclusive work environment, providing access to necessary resources, and hosting regular consultative meetings to identify challenges and discuss solutions.

Recommended LGBTQ+ initiatives

Companies looking to increase retention, advance leadership opportunities and amplify a sense of belonging and psychological safety among the LGBTQ+ workforce should take a holistic approach to inclusion. That also needs to extend into corporate social responsibility, supplier diversity, client engagement and other efforts.

Allyship programs

Establish initiatives that encourage and enable all employees to be effective allies for all members of the LGBTQ+ community and each other. Successful elements generally include storytelling to share experiences of LGBTQ+ colleagues and intersecting identities, offering guidance on proactive allyship and inclusive leadership, and fostering a culture that encourages allyship.

Business resource groups

Instill a deeper sense of camaraderie by enabling LGBTQ+ colleagues to come together in the workplace around shared experiences. Highlight leaders who openly identify as LGBTQ+ and share their success stories, challenges and support to empower others by providing them with a model for career advancement. Empowered BRGs can lead to supporting business initiatives around products and services, recruiting and strengthening company culture.

Benefits and wellness resources

Provide accessible health and wellness support and coverages for specific needs of the community with connected employee assistance program awareness. Consider providing concierge services to support LGBTQ+ people as they navigate benefits and resources, both within the organization and externally.

Inclusive recruitment strategy

Incorporate an inclusive recruitment strategy that attracts candidates across all dimensions of diversity. Include explicit statements in job descriptions about being an inclusive employer and establish a diverse interview panel.

Reporting and accountability

Implement a transparent, anonymous and easily accessible reporting channel for employees who face discrimination or harassment at work. Ensure appropriate investigations protocols around addressing credible complaints and protecting reporting employees from retaliation.

Qualitative findings

"

We see direct correlations in our people analytics that individuals that feel as if they can express their true selves, they do perform, they do have higher lengths of retention, tenure and career progression.

Head of human resources strategy and operations for a major health care company

"

Asking the right questions and giving the answers doesn't achieve anything alone unless the company really takes meaningful action.

Senior vice president of global indirect sales of an advanced manufacturing company

To supplement our survey insights, we sat down with several executives who are charged with developing and implementing LGBTQ+ initiatives to explore more anecdotal perspectives from the front lines of LGBTQ+ inclusion efforts. Their input underscores the following key takeaways from our research.

Fostering a strong sense of belonging and psychological safety empowers LGBTQ+ employees to bring their best selves to work. Because there's a tangible connection between psychological safety and performance, organizations should focus their LGBTQ+ inclusion efforts on two key pillars: psychological safety and belonging.

Organizations that embed psychological safety in their inclusion efforts are more likely to retain LGBTQ+ employees. When employees feel safe, seen and supported by their employer they are more likely to remain with the organization. Because Gen Z, which is significantly more likely than Gen X to identify as LGBTQ+, comprises an ever-increasing proportion of the workforce, this imperative will continue to grow substantially.

Demonstrating a tangible commitment to LGBTQ+ inclusion and advancement among executive leadership is essential. It is important that the most senior leaders within an organization be proactive and consistent in leading the conversation around LGBTQ+ inclusion and affirming that it is among the company's core values. Without this level of vocal advocacy, employees are more likely to see these commitments as fleeting or low on leadership's list of organizational priorities.

Companies that provide robust action, resources and support to meet their stated commitments on LGBTQ+ inclusion are best positioned to establish credibility and trust. When deployed consistently and vociferously, these efforts convey a sense of authenticity, which is critical to enhancing the psychological safety and wellbeing of the LGBTQ+ workforce.

Summary

Cultivating an inclusive workforce that truly reflects the rich diversity of our broader world by promoting LGBTQ+ inclusion, visibility, belonging, career advancement and representation at the top echelons of company leadership is good for business. Leaders who are vocal and passionate about their LGBTQ+ advocacy, supported by dynamic programming and an intersectional approach that builds trust with and engages all LGBTQ+ employees, will be best positioned to foster goodwill and build value for the long term.

To learn more and have a discussion about the findings and recommendations in this report, please email EYLGBTQworkplacebarometer@ey.com.

Endnotes

1   "Adult LGBT Population in the United States,"
    UCLA School of Law Williams Institute website,
    https://williamsinstitute.law.ucla.edu/publications/adult-
    lgbt-pop-us/, December 2023.

2   "U.S. LGBT Identification Steady at 7.2%," *Gallup website*,
    https://news.gallup.com/poll/470708/lgbt-identification-
    steady.aspx, 22 February 2023.

3   U.S. Bureau of Labor Statistics.

4   "Commit to the LGBTQ+ Community When Hate Is On the
    Rise," *Harvard Business Review website*, https://store.hbr.
    org/product/commit-to-the-lgbtq-community-when-hate-is-
    on-the-rise/H07PK5, 28 June 2023.

5   "U.S. LGBT Identification Steady at 7.2%," *Gallup website*,
    https://news.gallup.com/poll/470708/lgbt-identification-
    steady.aspx, 22 February 2023.

6   "Employment Projections," *U.S. Bureau of Labor Statistics
    website*, https://www.bls.gov/emp/tables/civilian-labor-
    force-summary.htm, 6 September 2023.

7   "U.S. LGBT Identification Steady at 7.2%," *Gallup website*,
    https://news.gallup.com/poll/470708/lgbt-identification-
    steady.aspx, 22 February 2023.

8   "Employment Projections," *U.S. Bureau of Labor Statistics
    website*, https://www.bls.gov/emp/tables/civilian-labor-
    force-summary.htm, 6 September 2023.

9   "Inclusive Insights LGBTQIA+ & Work," *The Harris
    Poll website*, https://theharrispoll.com/wp-content/
    uploads/2023/06/2023-Inclusive-Insights-LGBTQIA-and-
    Work-June-2023.pdf, June 2023.

10 Capital IQ; company filings; EY analysis.

11 "4 Fortune 500 companies are led by openly LGBTQ
    CEOs. Here's what they've said about their experience
    in corporate America," *Fortune website*, https://fortune.
    com/2023/06/06/lgbtq-ceo-fortune-500-pride/,
    6 June 2023.

12 "2023 LGBTQ+ Board Monitor," *Fabrice Houdart website*,
    https://fabricehoudart.com/2023-lgbtq-board-monitor/,
    2023.

13 "Snapshot: LGBTQ Equality by State," *Movement
    Advancement Project website*, https://www.lgbtmap.org/
    equality-maps 28 February 2024.

14 "Corporate Equality Index 2023-2024," *HRC website*,
    https://www.hrc.org/resources/corporate-equality-index,
    November 2023.

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

ey.com