

The LGBT Financial Experience:

*Obergefell decision provides reason to celebrate,
But still a long road to true financial security*

The world looks much different today for the Lesbian, Gay, Bisexual and Transgender community than it did in 2012, when Prudential launched its groundbreaking report exploring the financial hopes, dreams and fears of LGBT Americans. Hopes remain the same, but more dreams have come true since the U.S. Supreme Court's June 26, 2015, landmark Obergefell decision.

The results of our 2016 survey—tallied just about a year after Obergefell—provide information that deepens our understanding of the LGBT community's financial needs. Like other Americans, many are concerned about the ability to save for retirement. But those surveyed in 2016 have grown more uneasy about broader economic forces hindering their ability to succeed financially than about LGBT-specific rights issues.

Having the fundamental right to marry has simplified financial lives within the LGBT community, but research shows there is still work to do to protect basic rights. Wage inequality, workplace insecurity and housing rights issues still cast a shadow on the ability to attain true financial security among those surveyed for this report.

This important study helps to understand the financial lives and experience of LGBT Americans in a new world that recognizes basic rights. We hope the insights here will enable Prudential and the financial services industry to help the LGBT community attain true financial security—now and for the future.



Kent Sluyter

Chief Executive Officer

Individual Life Insurance and Prudential Advisors

Method

In 2012, Prudential conducted its inaugural research on the LGBT financial experience. In 2016, Prudential commissioned a second wave of research to assess changes since 2012 and gain a deeper understanding of current financial need and goals of the LGBT community.

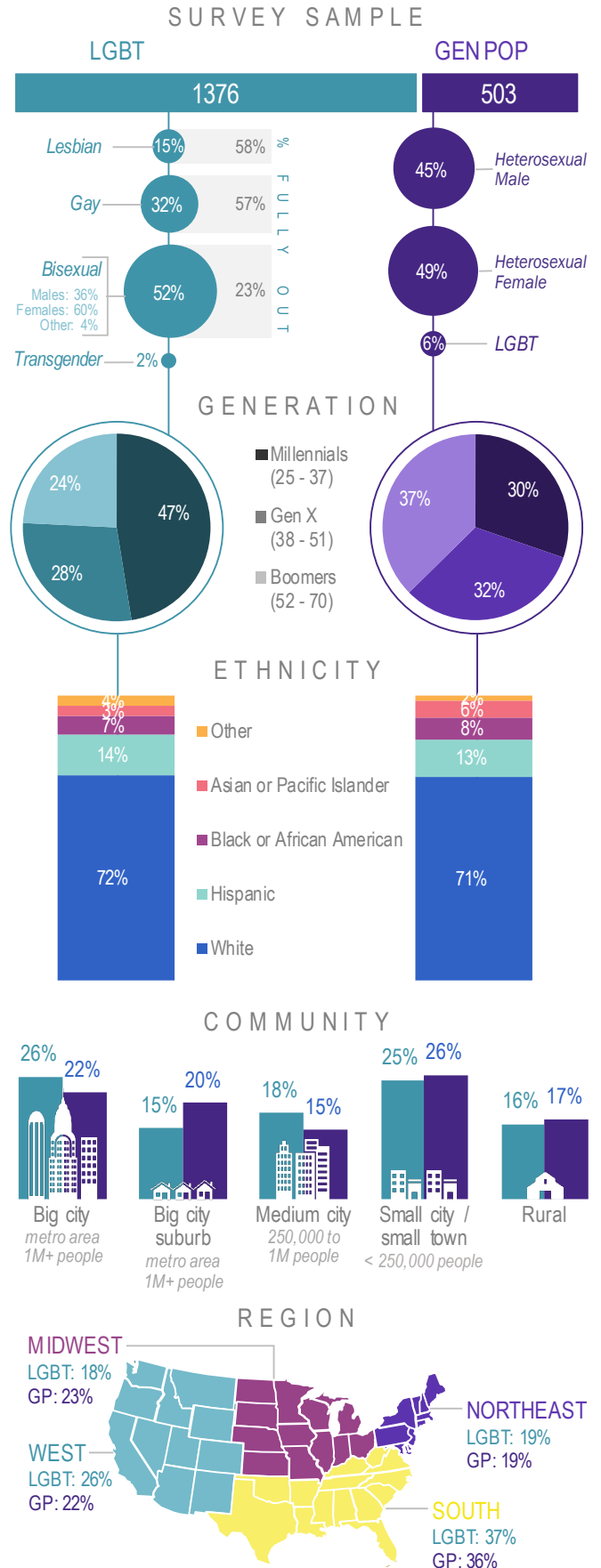
The 2016 study, conducted by Chadwick Martin Bailey, was fielded May 2 through May 19 via online survey to nationally representative samples of 1,376 LGBT and 503 general population respondents.

This brochure outlines the results of the 2016 research, including comparisons between the LGBT and general populations surveyed, and between the 2016 and 2012 LGBT populations surveyed.

To ensure representativeness of the LGBT sample, a large, nationally representative sample of 25- to 70-year-olds took a brief portion of the survey. Those self-identifying as lesbian, gay, bisexual or transgender completed the survey in full, and constitute the sample of 1,376 LGBT respondents. An additional 503 respondents representing the general population ages 25 to 70 also completed the survey in full. Demographic distributions for both samples are shown in Figure 1.

The LGBT community is very diverse, encompassing people along the spectrum of gender identity, sexual orientation, and degrees of being “out”—as well as different ethnicities, various types of household and family structures, and all types of localities across the nation. This report looks at the LGBT community as a whole, while providing a look into specific sub-groups for key areas.

Figure 1



Summary

LGBT Households Are Changing and Marriage Equality Has Simplified Finances for Many

There are more people living in LGBT households today than there were just four years ago. More are married and living with their spouse, and more have kids. These changes in LGBT respondents' households are impacting their financial goals—for example, passing on money as an inheritance to heirs is more important to LGBT respondents now than it was in 2012. Those with legally recognized partnerships (most of whom are married) tend to say that it is simplifying their financial lives.

Savings and Retirement Are Top Financial Goals, but Current Spending Patterns Slow Progress

Both LGBT and general population respondents are very focused on savings and retirement; saving enough to last their lifetime is a top financial goal. But, despite agreement on the importance of saving for the future, LGBT respondents are more likely to consider themselves “spenders” than are general population respondents. Likewise, LGBT respondents tend to spend more (and save less) compared to general population respondents. For LGBT respondents, in particular, meeting their goals for saving more will hinge on finding ways to spend less.

LGBT Face Income Gaps Which May Limit Ability to Prepare for the Future

Financial situations among the LGBT population have remained fairly stable compared to 2012, but fewer are preparing for their financial future. LGBT respondents surveyed in 2016 are less likely to have started saving or investing for retirement, to have insurance products, and to have a will or estate plan than those surveyed in 2012 or general population respondents.

Furthermore, LGBT respondents appear to be affected by income gaps linked to both gender identity and sexual orientation. While males overall tend to make more money than females, gay men and lesbian women each report making less, on average, than their heterosexual counterparts.

Therefore, not surprisingly, LGBT respondents show some signs of feeling financial stress.

LGBT Feel Insecure in Their Financial Knowledge

LGBT respondents are much more likely than general population respondents to say that they need to gain more knowledge in order to tackle their financial goals. This is especially true among younger (Millennial and Gen X) respondents. LGBT respondents tend to say they don't feel fully prepared because they don't know their options, don't know how best to evaluate their options or don't know how to get started.

LGBT Financial Barriers Include Macroeconomics as Well as LGBT-Specific Concerns

When asked about barriers to achieving their financial goals, both LGBT and general population respondents point to potential job loss and inflation. However, concerns regarding LGBT rights (e.g., lack of survivor benefits and employment protections) are particularly strong for LGBT respondents with same-sex partners.

Thus, while marriage equality has simplified financial lives, many LGBT respondents still see barriers to achieving their financial goals that are legal or institutional—the kinds of barriers that can compound other challenges such as a stagnant economy, poor job market and job insecurity, or lack of financial knowledge.

LGBT Want Financial Services Providers Who Have a Proven Track Record and Are Socially Conscious

Fewer LGBT (versus general population) respondents work with a financial professional—but doing so is linked to loftier financial goals, stronger financial confidence and more successful saving. This suggests that financial professionals can help clients in the LGBT community gain expertise and establish more prudent financial strategies.

Findings also suggest that the LGBT community cares deeply about social equality for all, and that working with socially conscious firms is particularly important to LGBT respondents.

In sum, while progress has been made for the LGBT community in terms of certain legal rights (especially marriage equality), the lingering barriers faced by this population are significant—including issues related to pay equity, equal job rights and benefit protections, and knowledge gaps in the financial sphere. More can be done to support this vibrant, caring community as they strive to achieve their financial goals.

LGBT Households

The LGBT Community is Millennial-heavy Compared to the Population as a Whole

The LGBT population surveyed has significantly more Millennials and fewer Boomers compared to the general population respondents (see Figure 1). LGBT respondents are five years younger, on average, compared to general population respondents. Lesbians and bisexuals, in particular, skew young; 45% of lesbian and 58% of bisexual respondents are Millennials.

This impacts the overall financial health and preparedness of the LGBT population surveyed. Some trends uncovered in this research regarding differences between LGBT and general population respondents' financial situations are due in part to the relative youth of the LGBT respondents.

The LGBT Community is Truly Nationally Distributed

LGBT respondents are represented in each region of the U.S. at rates equivalent to the general population. They are no more likely than the general population to live in states with legal LGBT protections. Married LGBT respondents are also found in every region of the U.S. at rates equivalent to married respondents in the general population. Findings show that LGBT individuals live in every state and every type of community—from rural areas to big urban centers (see Figure 1).

There are More People Living in LGBT Households Today Than There Were Just Four Years Ago

Fewer LGBT respondents surveyed in 2016 are single

(36%) compared to those surveyed in 2012 (50%). And while there are also fewer living with a partner with no legal status (22% in 2016 compared to 34% in 2012), there are many more who are married and living with their spouse. The rate of marriage has more than tripled in the past four years: 8% of LGBT respondents were married in 2012, compared to 30% in 2016. This increase is evident among lesbian women (9% married in 2012 versus 25% in 2016), gay men (6% married in 2012 versus 17% in 2016), and bisexual women and men (12% married in 2012 versus 41% in 2016).

More LGBT respondents are also living with parents or other relatives today (18%) than in 2012 (9%)—and more have kids. In 2012, 15% had kids; today that has more than doubled: 39% of LGBT respondents have kids. The percentage with kids has gone up among lesbian respondents (from 23% to 36%), gay male respondents (from 7% up to 15%) and bisexual respondents (from 23% to 55%).

Many Were Married Within the Last Five Years

Of those who are married or in a civil union, 57% are bisexual and in an opposite sex union. However, since 2012, there has been a significant increase in marriage among lesbian respondents (9% to 25%), gay respondents (6% to 17%), and all respondents with same-sex partners, including bisexuals (9% to 38%).

Among LGBT in 2016 who are married to a same-sex partner, most were married within the past five years. But while marriage is a recent boom, the partnerships were already blooming—most married a longtime partner, and around half were in a legally recognized union prior to marriage.

Figure 2

HOW HAS THE SUPREME COURT'S RECOGNITION OF SAME-SEX MARRIAGE CHANGED YOUR LIFE?

"[Marriage equality] gave me a sense of inclusion in mainstream society."

– Gay Transgender Male, Millennial

"As an older person, I see a dramatic change in society. There is a comfort level and emotional security for LGBT that I never thought I would see in my lifetime. I did not realize before how important the right to marry was. It includes people in society, allows them to participate as a family like everyone else."

– Lesbian Female, Boomer

Changes in LGBT Households are Impacting Their Financial Goals

The goals more important to LGBT respondents now than in 2012 include: taking care of parents or other family members, and passing on money as an inheritance to their heirs. And while providing college tuition and passing on an inheritance are less important to LGBT as compared to general population respondents, these goals are equally important among LGBT and general population households with children.

Marriage Equality is Simplifying Financial Lives

LGBT respondents in a legally recognized, same-sex partnership (most of whom are married) tend to say that it has simplified their financial lives. In 2012, only 13% of those in a legally recognized same-sex partnership said it had simplified their finances; in 2016, that has risen to half (49%). Commentary from survey respondents suggests this is due to simplified taxes, insurance coverage and estate planning (see Figure 3).

Among those in a legally recognized, same-sex partnership who work with a financial professional, more today use the same professional as their partner (71%, versus 60% in 2012), and more have a combined financial plan (56%, versus 47% in 2012).

Figure 3

HOW LEGAL STATUS HAS MADE FINANCIAL SITUATION SIMPLER?

“We can now file our tax returns together instead of having to figure out how to divide everything up.”

– Lesbian Female, Gen X

“Filing taxes is simpler, because we can now file as legally married rather than filing separately. So we only fill out one tax form, rather than two (one per person). Our situation is also simpler because my husband is on my benefits (e.g., health insurance), which is paid for with my pre-tax earnings. When we had domestic partnership benefits, it was paid for with my post-tax earnings.”

– Gay Transgender Male, Millennial

“I no longer have to worry about what will happen to my husband in the event of my death – his interests are protected now that we are married.”

– Gay Male, Boomer

“I was able to add my husband to my insurance.”

– Gay Male, Boomer

Financial Goals

LGBT Respondents are Self-described “Spenders” Seeking Ways to Save

Both LGBT and general population respondents are very focused on savings and retirement. Seven in 10 respondents agree that being financially independent, with enough savings to last a lifetime, is very important to them. It is a top financial goal regardless of gender, generation and sexual orientation.

Despite agreement on the importance of saving for the future, LGBT respondents are more likely to consider themselves “spenders” (48%, compared to 32% for general population respondents). And, in fact, LGBT

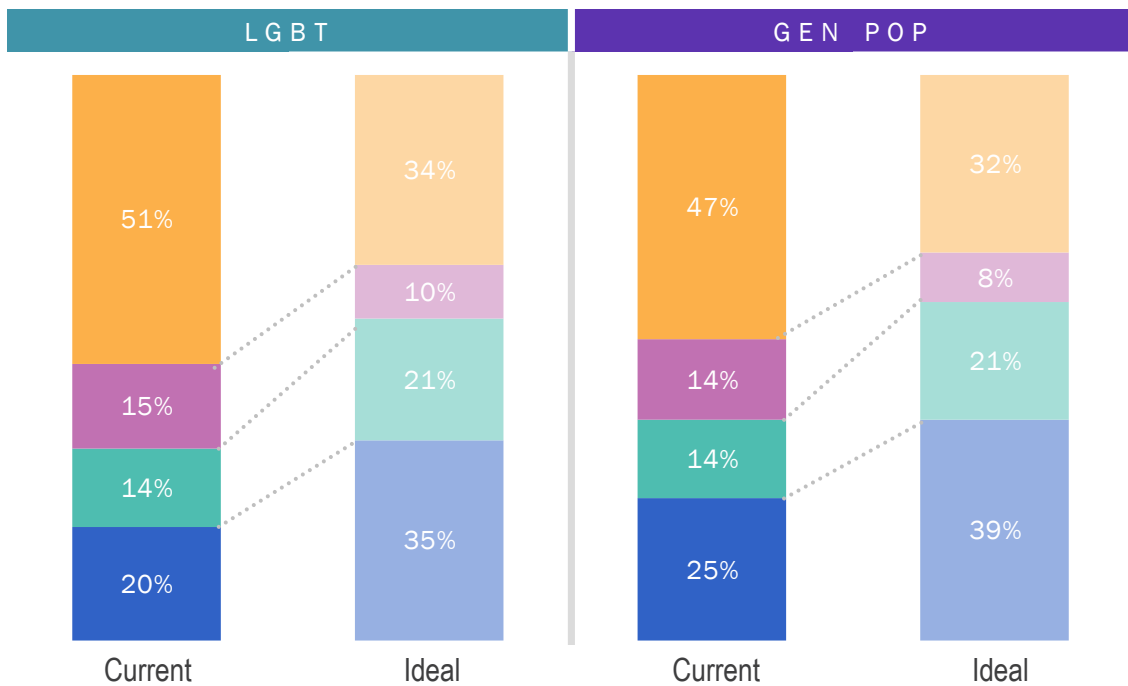
respondents’ current spending patterns suggest that they do tend to spend more, and save less, compared to general population respondents (see Figure 4).

LGBT and general population respondents share ideals for how they would like to allocate their income—and neither population is currently meeting their ideal. Both want to spend less on necessities and pay down debt, spend more on discretionary items and save more in myriad ways. But, because of LGBT respondents’ tendency to spend more (especially on necessities), they are further from their ideals for saving money (Figure 4).

For LGBT respondents, in particular, meeting their goals for saving more will hinge on finding ways to spend less.

Figure 4

CURRENT AND IDEAL ALLOCATION OF INCOME (AVERAGE ALLOCATION)



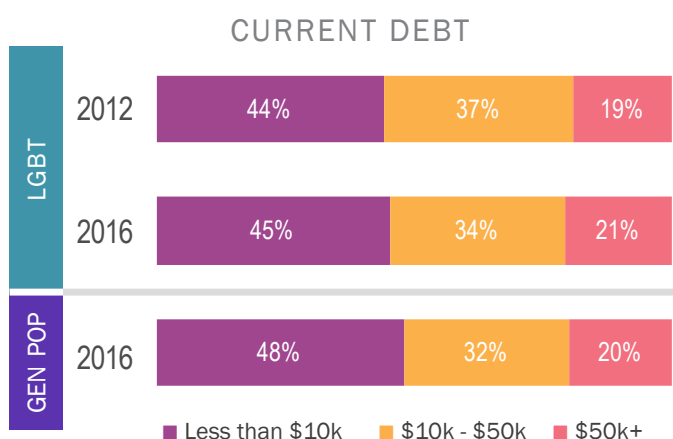
- Spend on necessities
e.g., food, housing, utilities
- Spend on paying down debt or loans
e.g., mortgage, student loan, credit card debt, etc.
- Spend on discretionary (non-essential) items
e.g., dining out, travel, entertainment
- Save in retirement accounts, other accounts intended to grow and accounts I can access quickly
e.g., 401(k), pension, stocks, 529 college savings plan, IRA, real estate investment properties, savings/checking accounts

Financial Status & Preparation for the Future

Financial Situations Among the LGBT Population have Remained Fairly Stable Compared to 2012, but Fewer are Preparing for Their Financial Future

Income in partnered households is stable compared to 2012. A third make \$50,000 to \$100,000, and a quarter make \$100,000 or more. However, personal income in single households skews slightly lower overall. More single LGBT respondents in 2016 are making \$15,000 or less (23%) than in 2012 (12%). The amount of debt for LGBT respondents in 2016 is also fairly stable compared to 2012. Then and now, nearly half hold less than \$10,000 in debt (not including mortgages and home equity loans; see Figure 5).

Figure 5



Despite this relative stability in terms of income and debt, fewer LGBT respondents surveyed in 2016 (compared to 2012) have started saving or investing for retirement; have insurance; or have a will or estate plan (see Figure 6). This is true even among the older generations, and among lesbians, gay men and bisexuals.

LGBT respondents in 2016 also show a gap compared to general population respondents with respect to preparing for their financial futures—a pattern that holds across generations. Fewer LGBT respondents surveyed have retirement products, life insurance, health insurance, or a will or estate plan (see Figure 6).

The “Income Gap” Isn’t Just About Gender

The gender income gap is evident among both LGBT and general population respondents; however, there is also an income gap linked to sexual orientation (see Figure 7).

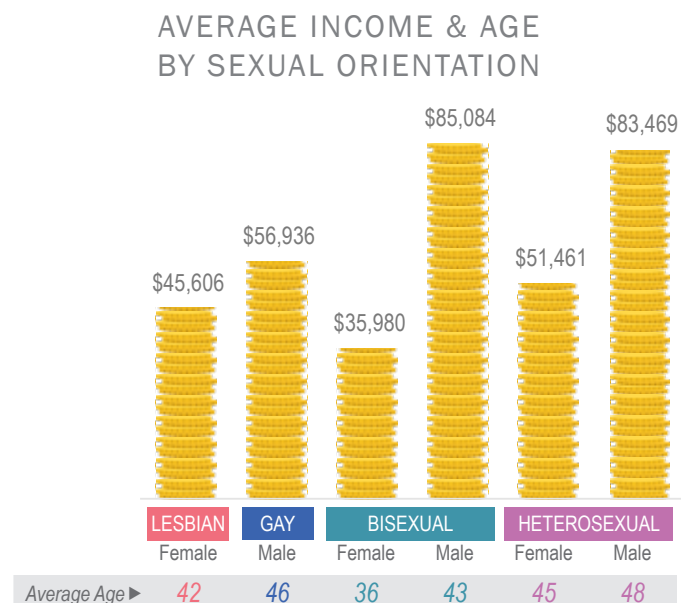
Figure 6

PRODUCT OWNERSHIP

	LGBT	GEN POP
FINANCIAL PRODUCTS		
Savings accounts, including money market and certificates of deposit	40% ▼	47%
Employer-sponsored retirement plan (e.g., 401(k), 403(b), 457)	35% ▼	40%
Individual Retirement Account (IRA) that is NOT employer-sponsored	18% ▼	30%
Employer-sponsored pension plan	18% ▼	23%
Mutual Funds	15% ▼	21%
Individual Stocks	18% ▼	23%
Individual Bonds (government, municipal)	8%	8%
INSURANCE PRODUCTS		
Life insurance	42% ▼	54%
Disability insurance	19%	17%
Long-term care insurance	10%	12%
ESTATE PLANNING PRODUCTS		
Will or estate plan	19% ▼	26%

On average, heterosexual women tend to earn less than heterosexual men, bisexual women tend to earn less than bisexual men, and lesbian women tend to earn less than gay men. Yet while there are now openly gay men leading Fortune 500 companies, on average, the gay men surveyed tend to earn less than heterosexual and bisexual men. Likewise, on average, the lesbian women surveyed tend to earn less than heterosexual women. Bisexual women earn the least of all—including compared to lesbian women—but this is likely due in part to their being much younger, on average.

Figure 7



LGBT Respondents Show Some Signs of Feeling Financial Stress

Financial concerns appear to be taking an emotional toll on some among the LGBT population. There is more polarity in terms of how LGBT respondents feel they are doing now as compared to 2012. While more today feel they have a lot of financial freedom (15% versus 2% in 2012), more also feel they are struggling financially (41% versus 31%)—a pattern that holds for all three generations (see Figure 8).

Figure 8

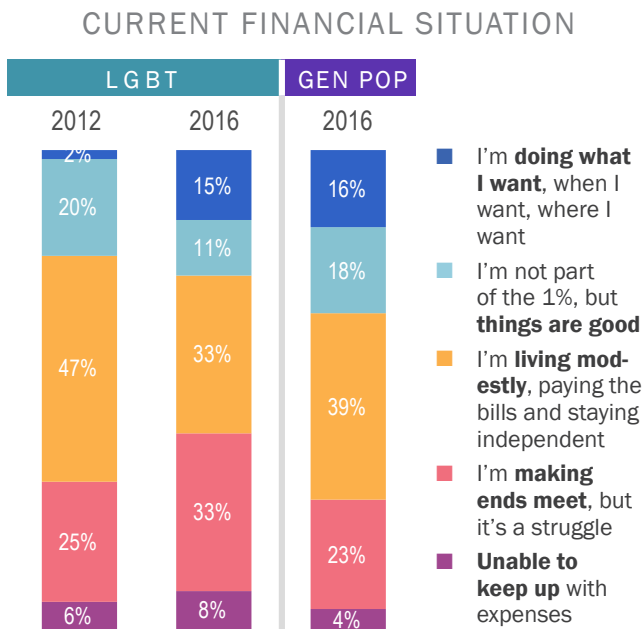


Figure 10

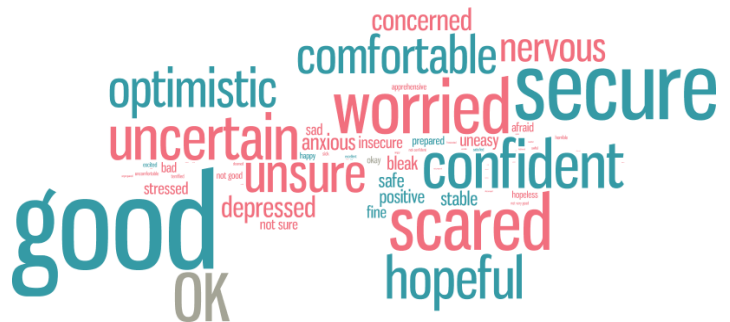
WHEN YOU THINK ABOUT YOUR FINANCIAL FUTURE, HOW DO YOU FEEL?

FEEL SECURE	FEEL WORRIED
<p>"Things look fairly good, but there's always the possibility of random problems, so we like to plan as much as possible. In general, careful planning is a good idea, even if it doesn't prove to be a necessity it gives us peace of mind." - Bisexual Female, Millennial</p> <p>"I feel secure -- I had a great job and put away money in my company 401(k). I am not wealthy. But I am conservative in my spending and feel like I will continue to be ok financially." - Lesbian Female, Boomer</p> <p>"The financial future is looking great and it feels good." - Gay Male, Boomer</p> <p>"I feel good. I think I am taking steps to plan for a good future. I have an active 401(k) that I contribute to." - Gay Male, Gen X</p> <p>"I feel a bit scared but empowered because I am seeking out information. I feel in control." - Bisexual Male, Millennial</p> <p>"It looks very positive. I know soon I will have many of my debts paid down!" - Heterosexual Transgender Male, Millennial</p>	<p>"I try not to think about it much...it will make me sad. I have nothing saved up for retirement. It's hard enough thinking about getting my kids through school, college, and helping with cars. Until I find a way to get into a higher tax bracket or better job, I can't even think about retirement." - Bisexual Female, Millennial</p> <p>"Scared at this time. Afraid I'm not putting enough into retirement. You never know what the future holds." - Lesbian Female, Gen X</p> <p>"Nervous and edgy. The cost of living rises without commensurate increases in pay. I'm worried about how to maintain a decent quality of life." - Gay Male, Boomer</p> <p>"I wish I'd prepared for my future." - Lesbian Female, Boomer</p> <p>"Uneasy. I want to be able to save more and prepare, but currently too much of my finances are needed to cover what is being spent." - Bisexual Male, Millennial</p> <p>"I feel somewhat insecure... Right now, I don't really have a steady full time job and it is hard to make ends meet and would like to start saving up more money for the future." - Heterosexual Transgender Male, Millennial</p>

LGBT respondents today are also more likely to say they are struggling financially than are general population respondents (27%)—particularly among Millennials and Generation X. For LGBT Millennials, this may be linked to their work situations. Millennial respondents overall are more likely to have been unemployed, but this is especially true among LGBT Millennial respondents. A quarter of LGBT Millennials surveyed have experienced unemployment or long-term leave from work in the past year, compared to just 13% of the general population Millennials surveyed.

When asked how thinking about their financial futures makes them feel, LGBT respondents' comments surface a lot of concern, across all three generations. Many use words such as worried, nervous, anxious, uncertain, unsure or even depressed (see Figure 9)—and their reasons are often linked to a lack of savings or preparation for the future. Those who have started saving, or at least have a plan for how to reach their goals, tend to feel more secure (see Figure 10).

Figure 9



Financial Knowledge

LGBT Respondents Feel They Need More Financial Knowledge in Order to Achieve Their Goals

LGBT respondents overwhelmingly say that they need more information and experience in order to tackle their financial goals—including goals they feel are extremely important (see Figure 11).

They are much more likely than general population respondents to say that they need to gain more knowledge or experience across all goals and across generations—although the difference is particularly stark within Millennials and Generation X.

Figure 11

TOP 5 FINANCIAL GOALS: IMPORTANCE AND PREPARATION



Compared to general population respondents, LGBT respondents also feel less comfortable managing an investment portfolio on their own. Again, this is especially true when comparing respondents within the younger generations: Nearly 6 in 10 LGBT Millennial and Gen X respondents are uncomfortable knowing what, when or where to buy and sell, as compared to just 4 in 10 general population Millennial and Gen X respondents.

When asked why they do not feel fully prepared to make wise financial decisions, LGBT respondents tend to say that they don't know what options are available to them, they don't know what to consider when evaluating those options, and they don't know how to get started. These themes are reflected in the kinds of questions they would like to ask a financial advisor (see Figure 12).

Figure 12

TOP 3 QUESTIONS FOR A FINANCIAL ADVISOR

WHAT OPTIONS ARE AVAILABLE?	WHAT SHOULD I CONSIDER WHEN EVALUATING OPTIONS?	HOW DO I GET STARTED?
<p><i>“What is the best way to consolidate student loans so I’m not paying three different people each month?”</i> – Lesbian Female, Millennial</p> <p><i>“What investments are right for me?”</i> – Bisexual Male, Millennial</p> <p><i>“What are my best options to save in the next 10 years?”</i> – Bisexual Female, Boomer</p> <p><i>“What options do I have? When should I start? Am I too late?”</i> – Gay Transgender (gender non-conforming), Gen X</p> <p><i>“How to invest hassle free (invest & forget)? What is the most profitable investment? What is the best long-term investment strategy?”</i> – Gay Male, Millennial</p>	<p><i>“What else do I need to purchase to cover everything and my beneficiary?”</i> – Gay Male, Millennial</p> <p><i>“Should I change my current investment strategy in my 401(k)?”</i> – Lesbian Female, Gen X</p> <p><i>“What kind of investments should I be looking into?”</i> – Bisexual Female, Millennial</p> <p><i>“How do I maximize my retirement income? Should I invest conservatively or aggressively?”</i> – Bisexual Male, Gen X</p> <p><i>“Is my portfolio well positioned given my and my husband’s backgrounds, needs and future? Are our investments appropriate for someone in their mid-60’s? Anything we should be doing or doing differently?”</i> – Gay Male, Boomer</p>	<p><i>“How much life insurance do I need? How do I start an IRA?”</i> – Lesbian Female, Gen X</p> <p><i>“Will I have enough money to carry me through the rest of my life?”</i> – Gay Male, Boomer</p> <p><i>“Where is the best place to invest?”</i> – Bisexual Female, Millennial</p> <p><i>“How do I best start to save for retirement? How do I get out of credit card debt fast?”</i> – Lesbian Female, Gen X</p> <p><i>“What percentage do I need to put into my 401(k) to have enough saved for retirement?”</i> – Lesbian Female Millennial</p> <p><i>“What’s a plan to get my debt paid down?”</i> – Bisexual Male, Gen X</p>

Financial Barriers & Concerns

LGBT and General Population Share Strong Concerns About Macroeconomic Factors that Could Keep Them from Achieving Their Financial Goals

When asked what will make it harder to achieve their financial goals, around four in ten LGBT and general population respondents say potential job loss and inflation (see Figure 13).

However, LGBT respondents are even more concerned than general population respondents about the potential for certain forces to be a hindrance, including debt, lack of job opportunities, lack of ability to afford a good financial advisor and wage inequity due to discrimination.

Within the LGBT Community, Concerns About LGBT Rights are Particularly Strong Among Those with Same-sex Partners

Concerns regarding LGBT rights are particularly strong among all LGBT individuals who have a same-sex partner, regardless of their sexual orientation (see Figure 11; note that 19% of bisexuals with partners surveyed in 2016 have same-sex partners).

For LGBT respondents with same-sex partners, their top five concerns include lack of Social Security or pension survivor benefits for same-sex couples, legislation negatively affecting LGBT financial rights and lack of employment protection for LGBT individuals.

Thus, while marriage equality has simplified financial lives, many LGBT respondents still see unique legal or institutional barriers to achieving their financial goals—the kinds of barriers that can compound other challenges such as a stagnant economy, poor job market or lack of financial knowledge.

Figure 13

TOP FINANCIAL CONCERNS (TOP 5 CONCERNS PER GROUP ARE HIGHLIGHTED)

	Total		LGBT in a relationship	
	LGBT	Gen Pop	Same-sex couple	Opposite-sex couple
1 Loss of your or your spouse/partner's job	42%	39%	48%	54%
2 Inflation	40%	38%	40%	39%
3 Existing debt that you or your spouse/partner will have to pay off	39%	33%	40%	44%
4 Lack of job opportunities	37%	32%	35%	40%
5 Lack of knowledge, or lack of ability (e.g., time, money) needed to gain the knowledge	37%	32%	36%	40%
6 Low interest rates impacting savings growth	33%	33%	35%	33%
7 Lack of Social Security or pension survivor benefits for same-sex couples	31%	-	47%	20%
8 Lack of employment protection for LGBT individuals	31%	-	43%	21%
9 Legislation negatively affecting LGBT financial rights	30%	-	46%	16%

Use of Financial Professionals & Firms

Few LGBT Respondents Work with a Financial Professional, but Doing so is Linked to Loftier Goals and More Success at Saving

Fewer LGBT respondents work with a financial professional (29%) compared to general population respondents (39%).

Both LGBT and general population respondents who do not work with a financial professional tend to assume they are not affluent enough—43% of LGBT and 37% of general population assume that they don't have enough in financial assets to need an advisor's help.

LGBT respondents who do use a financial professional tend to be more affluent. They have nearly double the household income compared to those who do not use a financial professional (an average of \$100,000 compared to \$51,000) they are more likely to be married (38%) than those who don't (27%). They also have more financial products: They are over 15% more likely to have life insurance, long-term care insurance and savings accounts; over 20% more likely to have an employer-sponsored retirement plan and individual stocks; and over 25% more likely to have an IRA and mutual funds. Not surprisingly, they have much more saved or invested: an average of \$346,000 compared to \$95,000 among those who do not use a financial professional.

However, LGBT respondents who use a financial professional also differ in terms of their financial knowledge, attitudes and aspirations. They worry about a broader range of forces that could keep them from meeting their goals, want to allocate a lot more toward savings and less toward necessities, and are less likely to call themselves "spenders" compared to those who do not use a financial professional. They also tend to feel more equipped to make wise financial decisions as they strive to meet their financial goals.

These attitudinal differences may be a reason why LGBT respondents who use a financial professional decided to seek expert advice. But it may also be the case that financial professionals are helping clients in the LGBT community gain knowledge and change their mindsets in ways that promote more prudent financial choices.

For Financial Firms Wishing to Support the LGBT Community, Social Causes are Key

Results from the survey suggest that the LGBT community cares about social equality—and not just for LGBT individuals. They share ideals regarding equality that include other historically disadvantaged groups, and these ideals influence which financial firms they would consider. Top causes that would impact LGBT respondents' decision to work with a firm are whether it supports:

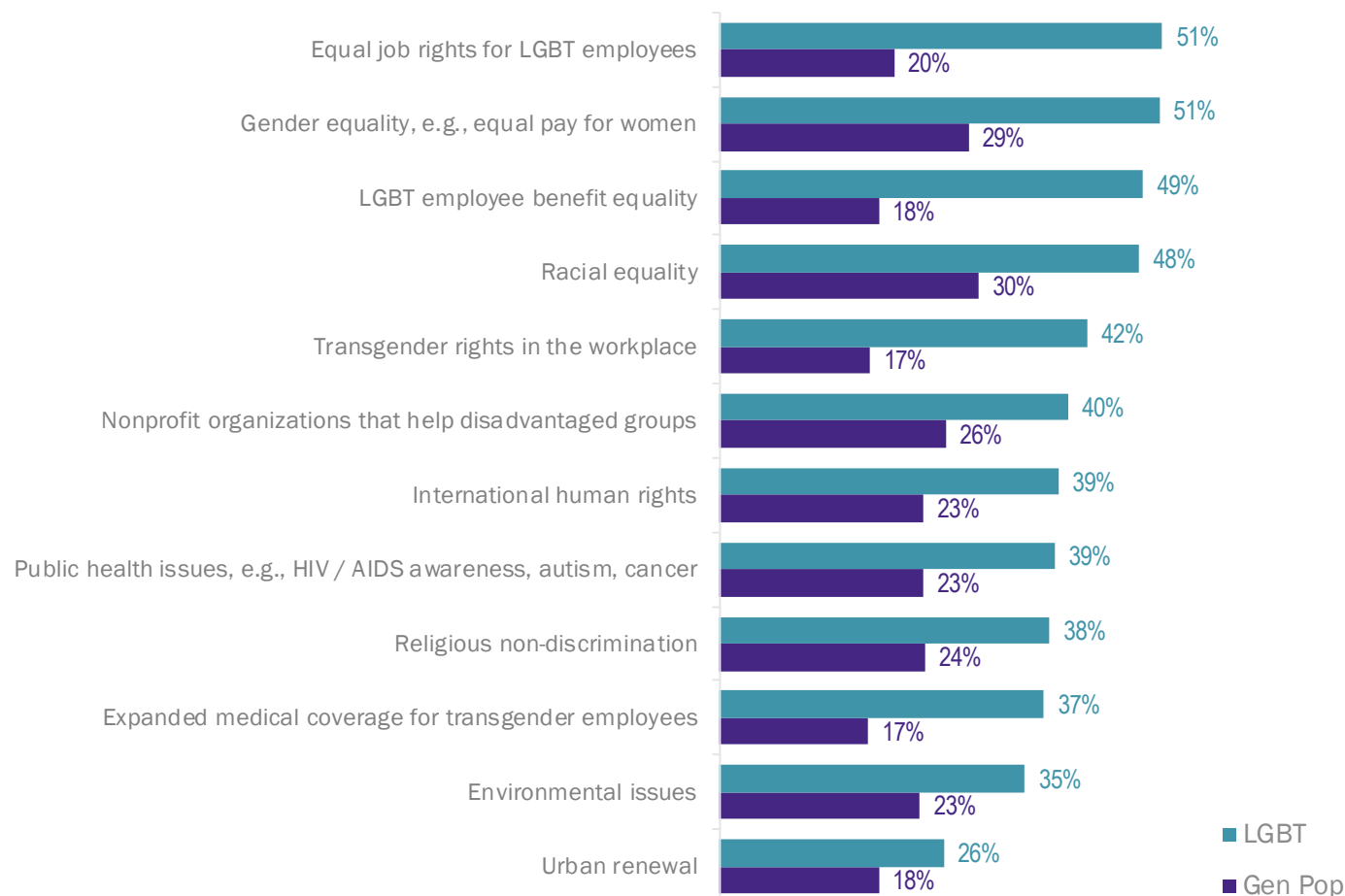
- **Equal job rights for LGBT employees**
- **Gender equality, e.g., equal pay for women**
- **LGBT employee benefit equality**
- **Racial equality**

For each of these, around half of the LGBT respondents surveyed said they would be "much more likely" to work with a firm if it publicly supported the cause (see Figure 14).

Working with socially conscious financial firms is much more important to the LGBT respondents surveyed than to general population respondents—across generations, and across the range of causes tested (e.g., including urban renewal, environmental causes, religious non-discrimination, public health issues, human rights and transgender rights). On average, LGBT respondents were 20% more likely than general population respondents to say that a firm's publicly supporting a social cause would strongly influence their choice (Figure 14). In short, members of the LGBT community are particularly likely to prefer working with financial firms that show they care.

Figure 14

MUCH MORE LIKELY TO WORK WITH A FIRM THAT SUPPORTS...



Strides Made in the Legal Sphere Help the LGBT Community, but Haven't Fully Paved the Road Ahead

Clearly progress has been made for the LGBT community in terms of certain legal rights (especially marriage equality) and, some might argue, in terms of cultural acceptance. In fact, half of the LGBT respondents surveyed in 2016 agree that most people who live in their area are very supportive of LGBT rights and very tolerant of LGBT individuals. Over half (62%) also say they feel/would feel very comfortable being an open member of the LGBT community where they live.

LGBT respondents today are also less likely to say that their financial needs differ from those of the general population. In 2012, 61% felt that LGBT financial planning needs differed; today, less than half (46%) feel that way.

Yet more could be done to support this **young, vibrant, caring community** as they strive to achieve their financial goals. The lingering barriers faced by this population are significant, including issues related to pay equity, equal job rights and benefit protections, and knowledge gaps in the financial sphere. So perhaps it is not surprising that only a third of LGBT respondents say *Obergefell v. Hodges* impacted their current or future financial lives and plans. Indeed, nearly half of LGBT respondents (45%) still feel it is very important that any financial professional they work with understand the unique needs of LGBT individuals. In the words of one gay male Boomer who participated in the survey, the most important thing a financial professional working with the LGBT community can do is: **“be as caring, as responsible and as knowledgeable to the needs of the LGBT community as he/she is to the needs of the heterosexual community.”**

Notes:

LGBT respondents were found to be 7.8% of the general population of 25- to 70-year olds. The distribution of lesbian, gay, bisexual and transgender respondents within the LGBT sample is corroborated by other nationally representative research, including research conducted by Pew (2013; A Survey of LGBT Americans: Attitudes, Experiences and Values in Changing Times) and The Williams Institute (2011; How many people are lesbian, gay, bisexual, and transgender?).

There are some challenges in obtaining a truly representative LGBT research sample.

In the present study, gender identity and sexual orientation are based upon self-identity via a series of questions gauging:

- Gender identity (male, female, transgender, genderqueer),
- (If transgender:) Transgender identity (male to female, female to male, gender non-conforming),
- Sexual orientation (heterosexual, gay, lesbian, bisexual)

These questions mirror the recommended approach from Pew Research and The Williams Institute, but differ from how LGBT individuals were asked to self-identify in Prudential's 2012 survey of the LGBT community. This may lead to some differences in the overall sample composition.

A related issue is that some LGBT individuals in the population may be unwilling to reveal their sexual orientation or gender identity in a survey, and overall results may be influenced slightly based on those individuals who may be more willing to disclose their status. For example, research has shown that Millennials and Gen X are more likely than Boomers to self-identify as LGBT, which may reflect real differences in the community but could also reflect a greater willingness of younger people to identify with the LGBT community and/or disclose their sexual orientation.

Finally, while included in the overall LGBT sample, transgender respondents are never reported on separately in this report. That is due to their low incidence in the population, which translated to a small sample in this study (N = 33).



The Prudential Insurance Company of America, Newark, NJ

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