



4 CHARTS

## The state of the LGBTQ+ workforce in the financial sector, in 4 charts

Around 84% of banks and financial institutions got a perfect score of 100 in an LGBTQ+ workplace equality report.

A Gallup poll on LGBTQ+ identification found that 5.6% of U.S. adults identify as queer, more than in previous years.

SHEHZIL ZAHID | AUGUST 10, 2021



The financial services sector has routinely come out looking good on paper in its efforts to create equitable, inclusive work environments for queer employees — but the truth is a little more complicated.

The Human Rights Campaign Foundation's 2021 Corporate Equality Index report revealed that of 142 companies in the banking and financial services sector, 119 satisfied all of CEI's criteria with a 100 score. As such, these institutions have been given 'best places to work for LGBTQ+ equality' status.

Institutions that scored 100 included big names like JPMorgan Chase, Goldman Sachs, S&P Global and Morgan Stanley. The lowest scoring institutions were CIBC Bank USA, Loews Corp., and CoreLogic with scores of 60, 55 and 50 respectively. The scoring criteria is covered by four key themes: non-discrimination policies; equitable benefits for LGBTQ+ employees and their families; an inclusive culture; and corporate social responsibility.

Banks that received a top score all achieved the highest standards across all four themes. For example, TD Bank, which also achieved a perfect score of 100, has offered spousal benefits for same-sex couples since 1994 while Goldman Sachs began offering them in 2000. Goldman Sachs, Citigroup and JPMorgan Chase all also provide gender-affirming surgery and hormone therapy under their employee medical plan.

More recently, JPMorgan Chase moved to strike gendered words from its by-laws, swapping 'chairman' for 'chair' or 'chairperson', while switching out 'his/him' and 'her' pronouns with non-gender specific terms.



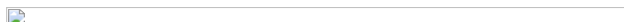
Unfortunately, the financial sector's seeming success in creating equitable environments for queer employees isn't all that it seems. Despite a glowing overall score for the industry, LGBTQ+ employees can still experience microaggressions and discrimination. In 2019, William Littleton sued his employer, Goldman Sachs, alleging he was fired in retaliation for calling out discriminatory behavior. In the suit, Littleton said that his direct supervisors failed to act when other employees undermined him, keeping Littleton off conference calls because he sounded 'too gay' and another, when a supervisor made comments about his dressing, saying he looked 'so Miami.'

Similarly, Citi employee Thomas Krauss sued the company for a demotion, alleging that it was in retaliation for reporting harassment complaints about a new hire. In the suit, he also alleges being denied a promotion to managing director because of his sexual orientation as a gay man.

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The situation is even worse for queer women. McKinsey research found that LGBTQ+ women are not only underrepresented in corporate America, but that they also suffer from higher rates of sexual harassment and discrimination in the workplace. About half of LGBTQ+ women are subjected to sexist remarks or jokes at work — 1.5 times more than straight women and 2.6 times more than LGBTQ+ men.

Moreover, more than half of LGBTQ+ women reported having experienced sexual harassment over the course of their career, which is 1.4 times more than straight women and almost twice as many times than LGBTQ+ men.



Source: BCG LGBTQ Employee Survey 2020

In May 2017, Penelope Hudson sued her employer Park Community Credit Union for harassment and 'a hostile work environment due to her status as a gay woman.' The harassment included being told that she was 'too butch' to deal with customers. The comments were also made to and among other employees, which led Hudson to change her appearance and attire out of fear that she would lose her job.

Hudson was also accosted by her employer's male guest at a work event and when she reported the incident to the VP of human resources, she was told, "we'll see if the gay thing doesn't work out, you can also go the other way." Hudson was also told to take the harassment as a compliment and was routinely passed over for promotions because she alleges her supervisor had an issue with queer women.

Harassment and discrimination in the workplace, particularly on the basis of sex, sexuality and gender, often have harmful consequences on employees and their productivity. BCG reported that 41% of LGBTQ+ employees routinely experienced discrimination at work. When a company creates a culture of discrimination in the workplace, 46% of those affected by discriminatory practices said they did not feel safe making mistakes and trying again while 62% felt less productive in discriminatory work environments.



Source: Gallup

Employees are also less likely to stick around when a company fosters a culture of intolerance. Specifically, queer people are 13 times more likely to quit work if a company does not have an LGBTQ-inclusive company culture. Companies interested in retaining employees may want to read the room and begin implementing equitable, inclusive practices that help queer employees thrive.

More people have steadily been identifying as LGBTQ+ over the last 10 years. In February 2021, a Gallup poll on LGBTQ+ identification found that 5.6% of U.S. adults identify as queer. The current estimate is up from 4.5% in Gallup's previous update from 2017. The increase in identification is less reflective of a growing pool of LGBTQ+ people in the U.S. and more reflective of the growing support for and advancements in LGBTQ+ rights that encourages community members to be their authentic selves without fear of retaliation.

When employees are allowed to come to work as themselves without having to censor their identities, the results can often boost their productivity. Queer people who are out in the workplace tend to feel twice as safe in the office and are 1.5 times as 'empowered' compared to their closeted counterparts. 44% of out LGBTQ+ employees also feel safer learning and growing in their roles by making mistakes and trying again or taking creative risks.



"I don't worry about the fact that I'm gay or hide the existence of my partner. I'm a better employee for it," said Heather Richardson, VP and branch manager and investment advisor at TD Wealth Private Investment Advice in a testimonial for the institution. "I don't have to hide information about myself or keep track of who I've told what to; leaving all of my time, energy and brainpower to be poured into my work."

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This has been partly driven by subprime segments, as lenders have become more comfortable serving this category due to record low delinquency rates.

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4 CHARTS

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