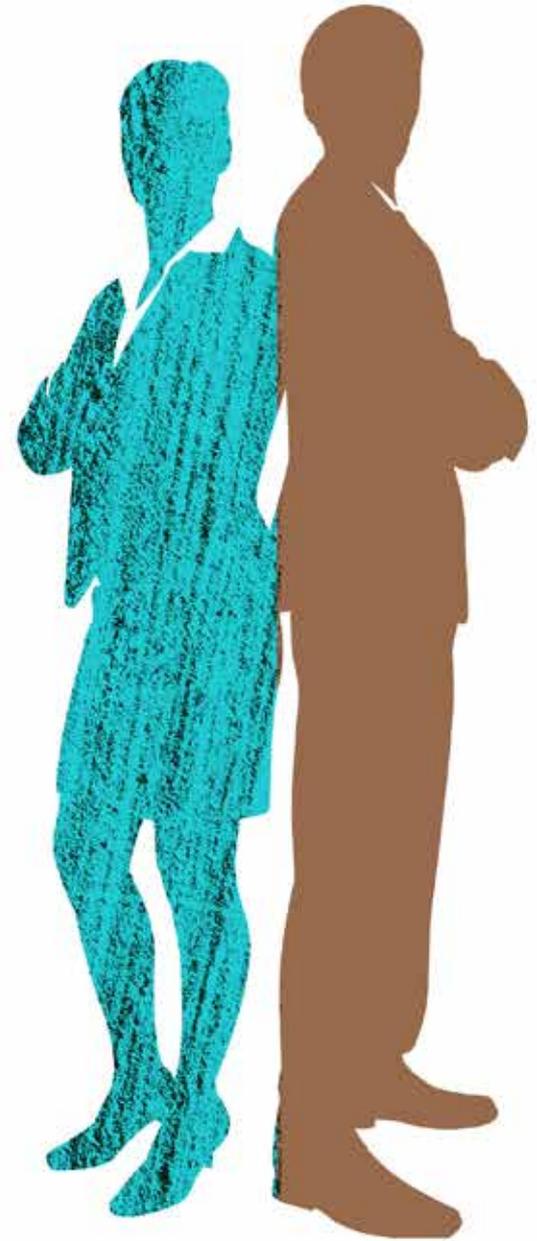




HUMAN
RIGHTS
CAMPAIGN
FOUNDATION

The Cost of the Closet and the Rewards of Inclusion

Why the Workplace
Environment for
LGBT People Matters
to Employers



Executive Summary

In this follow-up to the groundbreaking 2009 study, *Degrees of Equality*, the Human Rights Campaign Foundation has studied the national picture of lesbian, gay, bisexual, and transgender workers' experiences of inclusion on the job as contrasting with the perceptions of their non-LGBT coworkers on issues. The study reveals that despite a changing social and legal landscape for LGBT people, still over half (53 percent) of LGBT workers nationwide hide who they are at work.

Employees having to hide who they are comes at the cost of individual employee engagement and retention, and reveals broader challenges of full inclusion in the workplace – not just with respect to sexual orientation and gender identity, but along other lines of diversity such as gender, race and ability.

The following report details the extent to which LGBT people have to navigate unwelcome and even hostile workplace environments as well as the talent, engagement and productivity lost to the proverbial closet. The research pinpoints the nuanced

forms of anti-LGBT bias that crop up in nearly every workplace, thus providing insights into tangible remedies for employers seeking to fully engage the entirety of their talent pool.

Workers should not have to leave a job because they are made to feel unwelcome for simply being who they are, and yet, close to ten percent of LGBT people report leaving a job specifically because they were made to feel this way. Over one in five LGBT people report looking for other employment for the same reason.

35%

of LGBT employees feel compelled to lie about their personal lives while at work.

In addition, no employer should have to lose talent and employee engagement due to treatable problems with the workplace environment or culture. Yet, the data show that this is exactly what is happening, with significant rates of productivity lost to the closet and unwelcoming workplaces.

Other measurable elements of employee engagement lost to unwelcome workplaces include **LGBT employees feeling compelled to lie about their personal lives while at work (35%)**, a fifth report feeling exhausted from expending time and energy hiding their identities and a third felt distracted from the job at hand due to negative workplace environments.

The primary influences on workplace cultures are so ubiquitous, they are almost easy to miss. **The key element shaping the workplace environment are the constant non-work related conversations** that compel workers on a daily basis to decide, "Will I lie about who I am on the job? Avoid co-workers? Make a mistake and 'out'

myself?" Furthermore, the levels of sharing about "personal lives" in the workplace are reported at nearly identical, staggering rates amongst both LGBT and non-LGBT people.

This year's survey included a poll of non-LGBT workers. This was crucial to understanding the pressure points of discomfort around LGBT openness, perceptions of LGBT inclusion, and highlighted common workplace concerns shared by LGBT and non-LGBT workers. These additional survey responses also provided encouraging data about intended support for the LGBT community.

Nationally, when non-LGBT employees were asked about how often conversations about social relationships and dating come up in the workplace, 80% responded that they occur weekly and often daily. At the same time, **81% of non-LGBT respondents feel that LGBT people "should not have to hide" who they are in the workplace.** And yet, less than half of non-LGBT employees would feel comfortable hearing LGBT workers talk about dating.

This double standard emerges in our study, where frequent personal conversations occur among coworkers, and LGBT employees are receiving the message that their contributions are not welcome, or worse, inappropriate. In fact, 70% of non-LGBT workers agree that "it is unprofessional" to talk about sexual orientation or gender identity in the workplace.

The following study is an evidence-based approach to understanding the nuances of the workplace environment, the cues LGBT people and other minority groups get that can make them feel welcome and thrive or can push them to the sidelines of job advancement and the real world application of this business case for full inclusion.

By developing and evaluating a core set of metrics for assessing the workplace environment, **HRC has equipped employers with the questions they need to be asking both their LGBT and non-LGBT employees to evaluate their own workplace environment, improve existing gaps and fortify strengths that can promote inclusion, retention and productivity.**

LGBT Workplace Equality: A Brief History

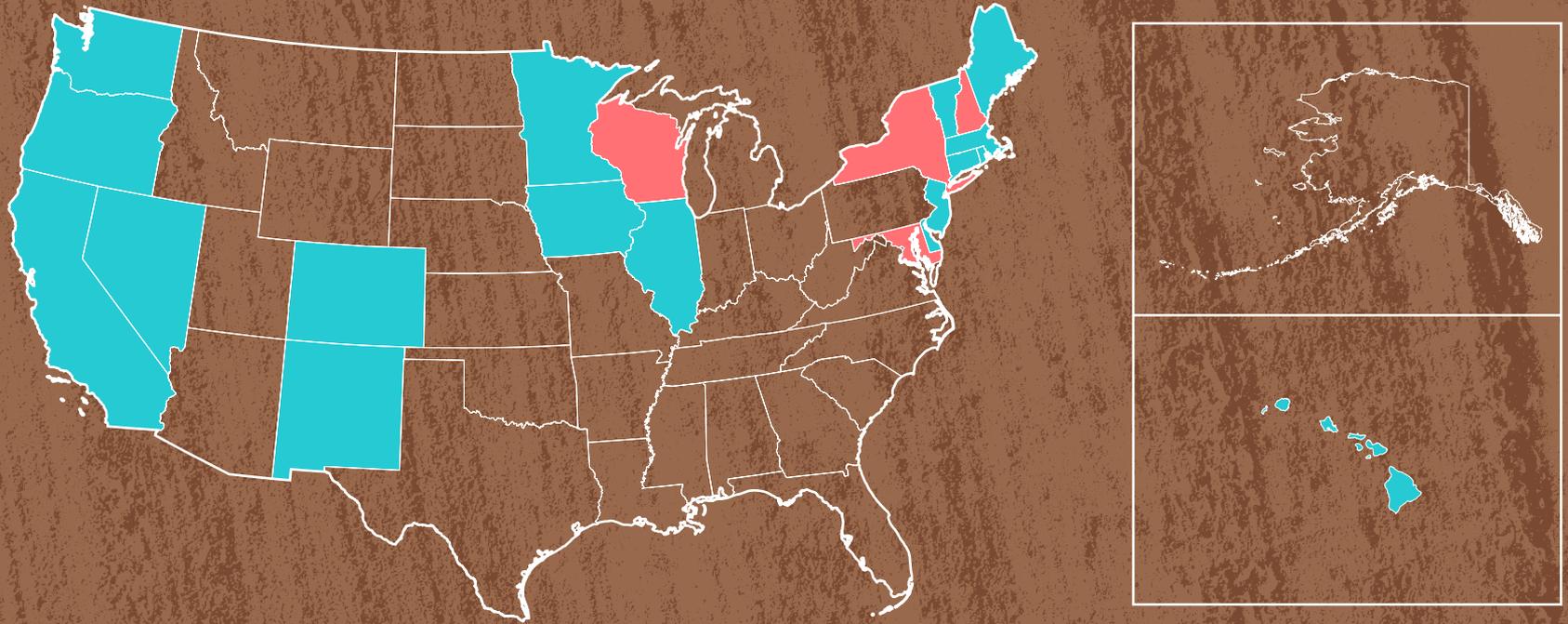
The legislative and cultural landscape of LGBT equality in the United States has shifted dramatically in the last decade. Notably corporate America has led a sea-change in extending workplace protections and recognition of LGBT families in the form of benefits, years ahead of lagging lawmakers. **A full majority of the Fortune 500 have extended workplace protections on the basis of sexual orientation (91%) and gender identity (61%).** Many more private sector employers have extended these protections, critical benefits and inclusive practices to attract and retain top talent.

Fortune 500	2002	2008	2013	2014
Sexual Orientation in Non-Discrimination Policy	61%	88%	88%	91%
Gender Identity in Non-Discrimination Policy	3%	25%	57%	61%

However, consistent workplace protections for the LGBT community do not exist in federal equal employment opportunity law. Where other protected classes such as race, gender, religion and more are explicitly and uniformly protected, sexual orientation and

gender identity protections are inconsistently gleaned through a patchwork of state and local laws. **Twenty-nine states do not offer protections on the basis of sexual orientation and 33 states do not on the basis of gender identity.**

Statewide Employment Laws & Policies



- **States that prohibit discrimination based on sexual orientation and gender identity (17 states and the District of Columbia)**

California (1992, 2003), Colorado (2007), Connecticut (1991, 2011), Delaware (2009, 2013) District of Columbia (1977, 2006), Illinois (2006), Iowa (2007), Massachusetts (1989, effective July 1, 2012), Maine (2005), Minnesota (1993), New Jersey (1992, 2007), New Mexico (2003), Nevada (1999, 2011), Oregon (2008), Rhode Island (1995, 2001), Vermont (1991, 2007) and Washington (2006)

- **States that prohibit discrimination based on sexual orientation (21 states and the District of Columbia)**

In addition to the states above: Maryland (2001), New Hampshire (1998), New York (2003) and Wisconsin (1982)

Fortune 500 Commitment to LGBT Employees

Progress through engaging with HRC.

	All Fortune 500	Fortune 500 Participants	Fortune 500 Non-Responders
Sexual Orientation in Non-Discrimination Policy	91%	97%	78%
Gender Identity in Non-Discrimination Policy	61%	84%	25%
Domestic Partner Health Benefits	67%	94%	24%
Transgender-Inclusive Benefits	28%	46%	0%
Organizational Competency Practices	44%	72%	0%
Public Commitment to the LGBT Community	49%	80%	0%
Average Score	56	83	16

LGBT jobseekers and workers face a patchwork of state and local laws, private sector policies, and shifting attitudes

LGBT jobseekers and workers face a patchwork of state and local laws, private sector policies and shifting attitudes leading to a prevailing sense of uncertainty as to whether or not it is safe and comfortable to be openly LGBT in the workplace. The picture of the American workplace as a place to be able to be one's self, treated fairly and thrive is not yet the reality for most LGBT Americans.

The Human Rights Campaign Foundation has been working directly with Fortune 500, AmLaw 200 and hundreds of other major employers on the implementation of LGBT-inclusive policies, benefits, trainings and other best practices for over 15 years.

Since 2002, much of corporate America has engaged in the annual Corporate Equality Index, a national scorecard evaluating workplace protections, equitable benefits, internal diversity trainings and metrics as well as external engagement with the LGBT community, thus raising the profile of the LGBT workforce as sought-after talent.

For context, when the CEI was launched in 2002, the legislative landscape in the US for LGBT workers was rather grim:

- **In lieu of federal workplace protections, LGBT people could be denied a job or fired for their sexual orientation in 37 states and in 44 because of their gender identity.**
- **The landmark *Lawrence v. Texas* decision that would strike down sodomy statutes had not been decided, leaving certain homosexual acts liable to criminalization.**
- **No state had same-sex marriage, while the Defense of Marriage Act (DOMA) went unchallenged.**
- **States such as Florida had bans on LGBT people adopting children.**

- **Hate crimes on the basis of sexual orientation and gender identity were not federally recognized as hate crimes against other minority groups were defined.**
- **LGBT people in the Armed Forces faced discharges under Don't Ask, Don't Tell or had to hide themselves.**

Still, within this climate the CEI was launched as the cornerstone of an ambitious strategy to transform American workplaces by communicating directly with major private sector employers, developing a roadmap and assessment of policies, practices and benefits that would be more inclusive of LGBT employees. **The CEI bridged business goals of recruiting and retaining top talent with that of LGBT equality.**

The gains across corporate America's policies and benefits demonstrate irrefutable, concrete progress.

At the same time, many LGBT workers continue to face unwelcome workplace environments – often subtly so – that are not affected by the very policies and benefits aimed at creating greater equality in the workplace. In response to this gap between policy and everyday practice, **the Human Rights Campaign Foundation launched the first comprehensive, empirical study of the workplace environment, 2009's *Degrees of Equality* study, revised and augmented in 2013.**

Having to Hide in Plain Sight: LGBT Workers' Experiences Being Closeted

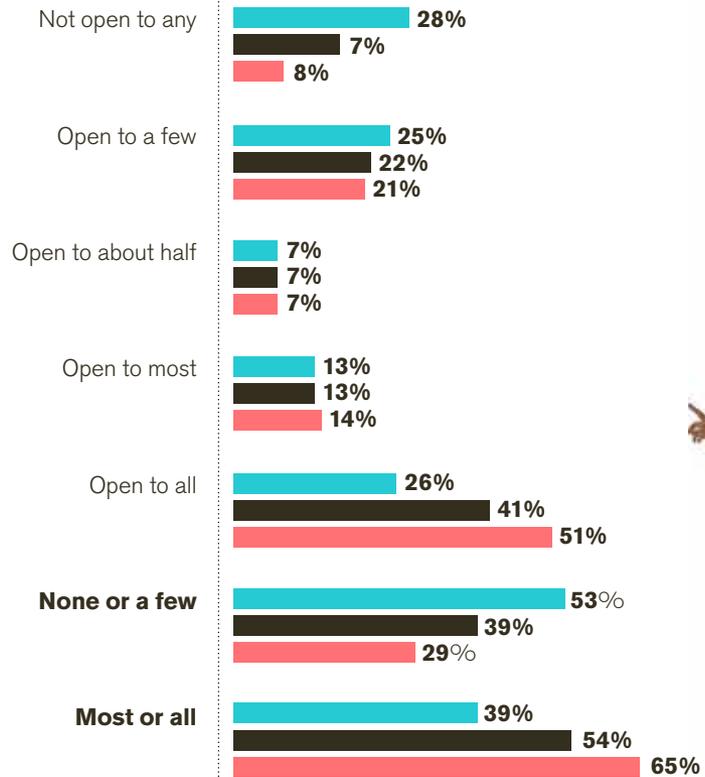
Scanning a factory floor or office, one cannot tell who LGBT is and who is not. There are not necessarily visual cues that reveal a person's sexual orientation and gender identity. **However, everyone reveals aspects of who they are in the workplace – their orientation and gender identity – in images of family displayed on a desk, in casual conversations with co-workers, and in references to personal history.** Thus, the concept of being open in the workplace is salient as over the course of a workday most people are often compelled or opt to reveal aspects of who they are. To not do so can isolate a person and erode valuable rapport with co-workers, managers and would-be mentors.

53%

Over half of all LGBT workers nationwide hide who they are in the workplace.

WHICH BEST DESCRIBES HOW OPEN YOU ARE

- At Work
- With family members
- With friends





Because it is nobody's business... Or is it?

64%

of respondents cited **"Because it's nobody's business"** as one of the reasons for not being openly LGBT in the workplace. Statistical analysis reveals the highest correlation between this key response and workplace experiences of harassment, anti-LGBT jokes and comments made on a frequent basis, along with other demeaning behavior from coworkers.

Top Reasons for Not Being Open

- 38%** Possibly making people feel uncomfortable
- 36%** Possibility of being stereotyped
- 31%** Possibility of losing connections or relationships with coworkers
- 26%** People might think I will be attracted to them just because I'm LGBT
- 23%** Coworkers or management will think talking about my sexual orientation and/or gender identity] is not professional
- 23%** May not be considered for advancement or development opportunities

Why Does it Matter? How Unconscious Bias in Everyday Conversations Shapes the Workplace for LGBT People

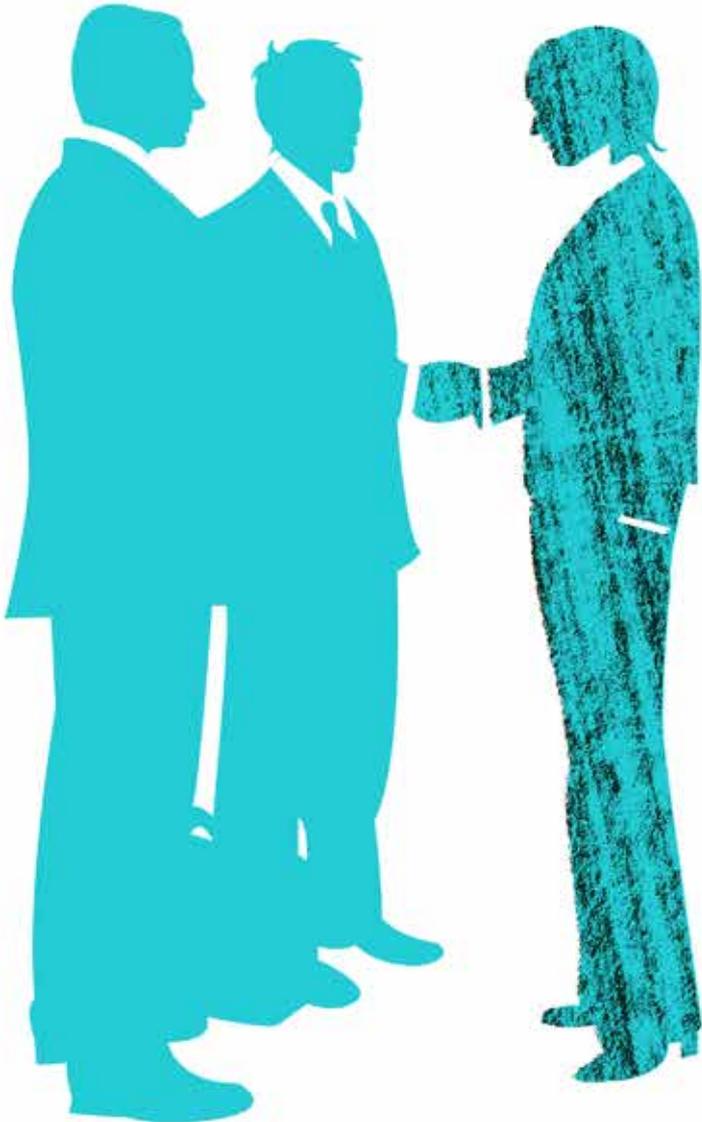
A fair question could be, **“Why would someone need to be ‘open’ about their sexual orientation or gender identity in the workplace? Aren’t most workers expected to come to their workplaces, do their best and go home?”**

This would be fair if anyone – gay, straight, bisexual, transgender or other – rarely tended to reveal much about him or herself in the workplace. The reality though, couldn't be further from this.

In fact, nearly every workplace is so permeated by non-work related conversations - from Monday morning weekend catch up talks to more serious sharing about life events, to light banter about celebrities and gossip – that it is easy to take this daily sharing for granted.

The reported prevalence of conversations in the workplace covering relationships and dating, social lives, politics and even religion and sex are nearly identical between both LGBT and non-LGBT workers. When asked, over 80% of non-LGBT workers report that conversations about social lives, relationships and dating come up weekly and often daily.

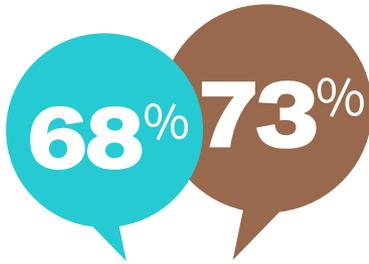
Put simply, we get to know one another at work, for better or worse.



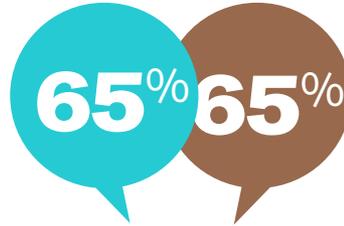
LGBT Worker ●
Non-LGBT Worker ●

Nearly Every Workplace Demands Some Level of Sharing, On a Weekly or Daily Basis

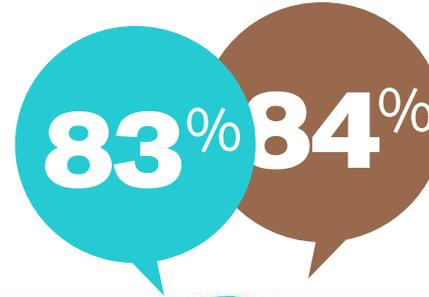
Children



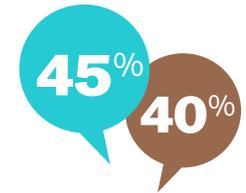
Spouses, relationships, or dating



Social life, such as what you did over the weekend



Politics



Religion



Sex



Workplace gossip



TV shows, movies or celebrities



In a mark of overall progress in attitudinal shifts, **81% of non-LGBT people** report that they feel LGBT people “should not have to hide” who they are at work.

HOWEVER

Less than half would feel comfortable hearing an LGBT coworker talk about their social lives, dating or related subject.

Over 70% agree that “it is unprofessional” to talk about your sexual orientation or gender identity in the workplace.

This sharing can be quite positive. **It fosters trust and rapport amongst coworkers, can provide levity during the workday and more generally is an essential part of human interaction.**

A common misperception is that when LGBT people engage in this same sharing, by mentioning a partner or their gender history, they are bringing their “personal lives” to work where their straight, cis-gender colleagues are not. Born from this misperception is a double standard in how non-LGBT people allow their LGBT coworkers to share equally in these ubiquitous conversations. **When sharing the same day-to-day anecdotes with coworkers, LGBT people are seen as over-sharing, or forcing their “lifestyle” upon coworkers. At worst, LGBT workers’ stories are seen as inappropriate, where the same stories told by non-LGBT workers are simply innocuous personal facts.**

It’s therefore not a surprise that the top reasons LGBT people cite keeping them in the closet are directly related to their own observations that their co-workers would be less than accepting or uncomfortable. **In fact, one in four LGBT workers say that their coworkers seem uncomfortable when they reference their own sexual orientation or gender identity – because for many non-LGBT people, they do not view their own references to husbands/ wives, gender history, and so on as references to their sexual orientation or gender identity.** Those terms are thought of as both inappropriate and nearly exclusive to LGBT people.

Non-LGBT workers often do not recognize that they too have both a sexual orientation and gender identity and that they make casual references to these aspects of themselves constantly. However their status as being part of a majority culture shields them from reflecting on this and being aware of the extent to which they reveal their own identity in the workplace and ask others to all the time.



62%

LGBT workers report hearing jokes about lesbian or gay people

43%

hear jokes about bisexual people

40%

hear jokes about transgender people

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Beyond Small Talk: Other Indicators of the Workplace Environment

Everyday conversations and sharing of innocuous personal details are not the only factors contributing to the workplace environment for LGBT workers. **Even when employees aren't directly part of conversations, they observe them, picking up on signals and cues as to what are acceptable, or even encouraged, behaviors among colleagues.**

One of the most common ways for someone to brush off or recover from an offensive statement is to claim it was only a joke. **Yet, jokes are fair indicators of culture and climate; about what acceptable behavior is, and what is fair game for mockery.** Sixty-two percent of LGBT workers report hearing jokes about lesbian or gay people at least once in a while, while 43 percent report hearing jokes about bisexual people, and 40 percent about transgender people at the same frequency.

Nuanced Signals

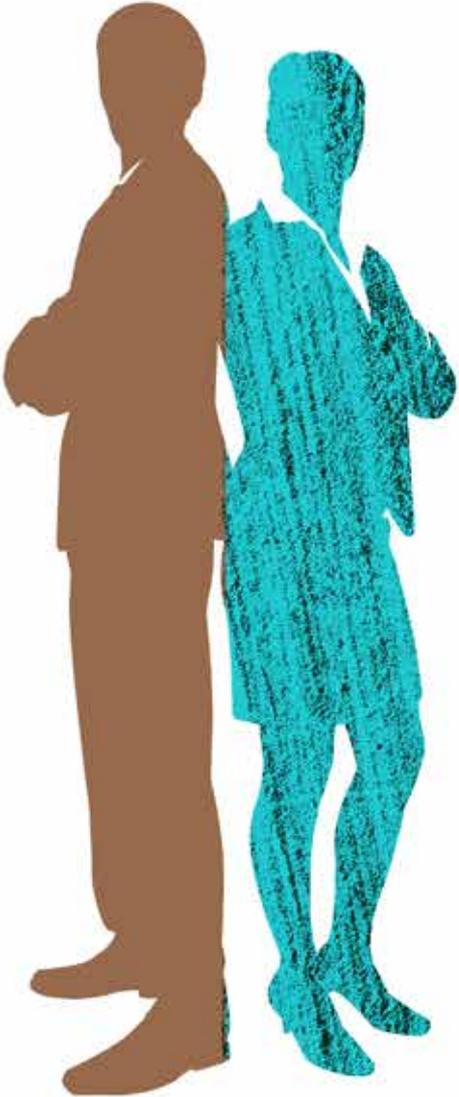
One in four open LGBT employees reported that coworkers became uncomfortable when mentioning something related to sexual orientation or gender identity (e.g., your partner, spouse, personal history, etc.)?

Sometimes, these statements aren't shielded in mockery, but are overt expressions of bias against LGBT people. **One in four LGBT respondents say they sometimes hear something negative uttered about LGBT people while at work** and 8 percent of LGBT employees frequently hear someone say something negative about LGBT people.

Comments about LGBT people aren't restricted to generalizations about the community, and are sometimes directed at individual workers. **Four times the number of LGBT workers than non-LGBT workers reported that they have been told or it's been implied on the job that they should try to be more feminine or masculine in their style** (16% and 4%, respectively).

When stereotypes – in this case gender-based – are more routinely invoked for a minority group, it sends a toxic message of double standards to even more employees. LGBT people being considered fair-game for gender-based scrutiny reinforces barriers to advancement for both men and women.





Limitations of Current Practices

Seemingly, the challenges to LGBT inclusion could be remedied by policies and protocols. However, analysis of the data through the lens of existing policies reveals that LGBT-inclusive policies and benefits are necessary for cultivating an inclusive environment, but not sufficient.

Considered to be the most foundational step towards LGBT workplace inclusion, non-discrimination policies that prohibit job discrimination on the basis of sexual orientation and gender identity are themselves subject to perceptual risk. In other words, respondents were almost evenly split in the reported belief that enforcement of the non-discrimination policy depends on the supervisor's own feelings toward LGBT people.

Enforcement of the non-discrimination policy depends on the supervisor's own feelings toward LGBT people.



Agree ■
Disagree ■

ERGs and Mentors | Employee resource groups and mentor programs often make up the next level of structural LGBT inclusion in the workplace.

How welcomed do you feel by your Employee Resource Group?

67%

Very Welcomed

Not immune from their own challenges of inclusion,

31%

LGBT workers reported feeling just **somewhat welcome** by their ERG.

1%

Not Too Welcomed

1%

Refused

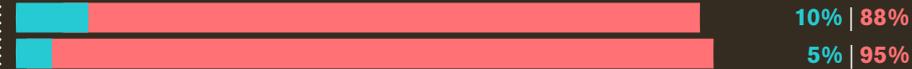


Often critical to job advancement, LGBT workers reported the most significant rates of feeling challenged by an immutable characteristic, sexual orientation, in finding a mentor on the job.

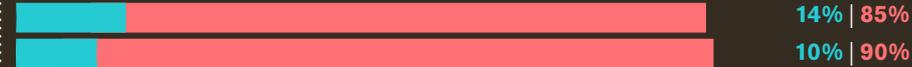
Has it ever felt hard to find the right mentor at work because of your:

LGBT employee
Non-LGBT employee

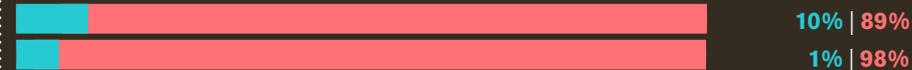
Gender



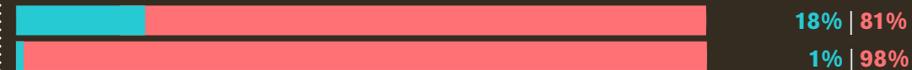
Age



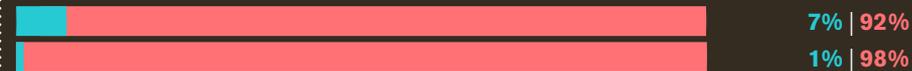
Race or Ethnicity



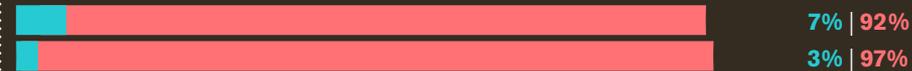
Sexual Orientation



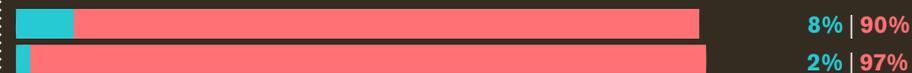
Gender Identity or Expression



Religion



Physical Ability



Yes ■
No ■



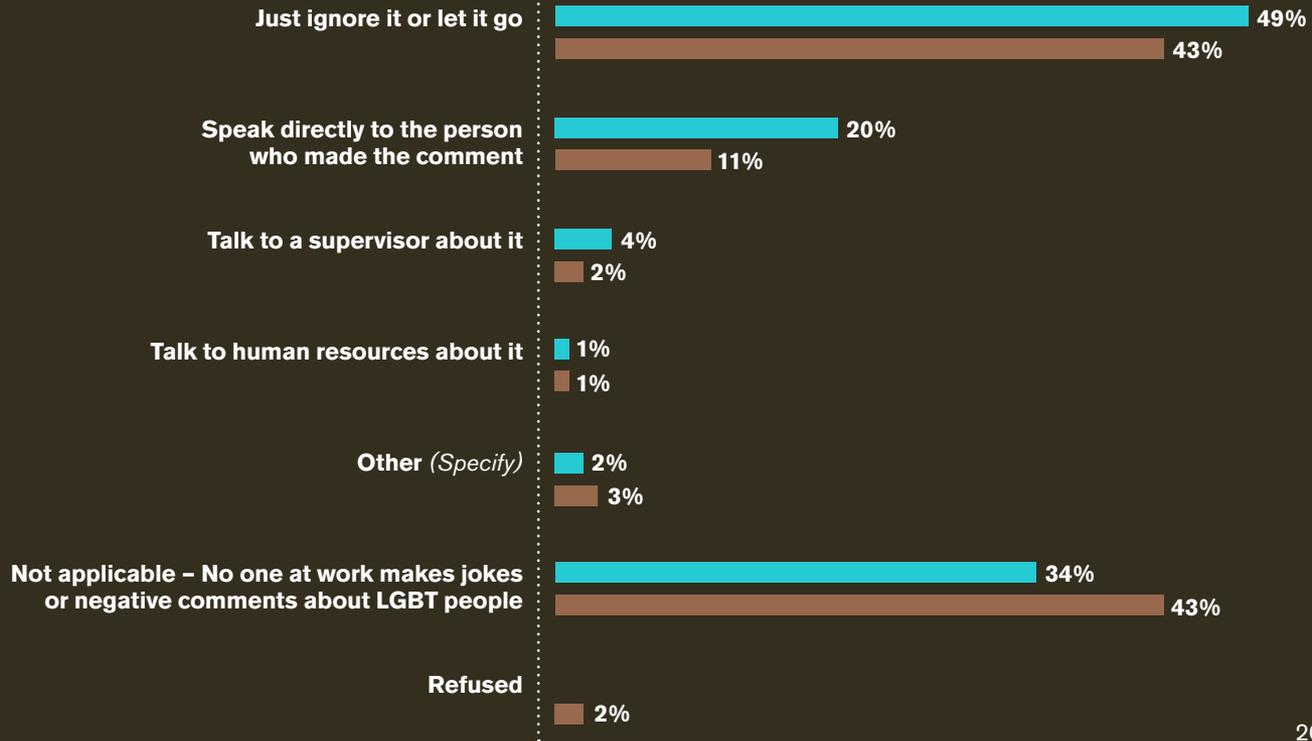


Reluctance to Speak Up About Questionable Comments and Behavior

Overall, both LGBT and non-LGBT workers do not report incidents of negative remarks or jokes about LGBT people to management or human resources.

When you hear someone at work make a joke or say something negative about LGBT people, how do you typically deal with it?

ALLOW MULTIPLE RESPONSE (2008 wording: When you hear someone make an anti-GLBT comment at work, how do you typically deal with it?)

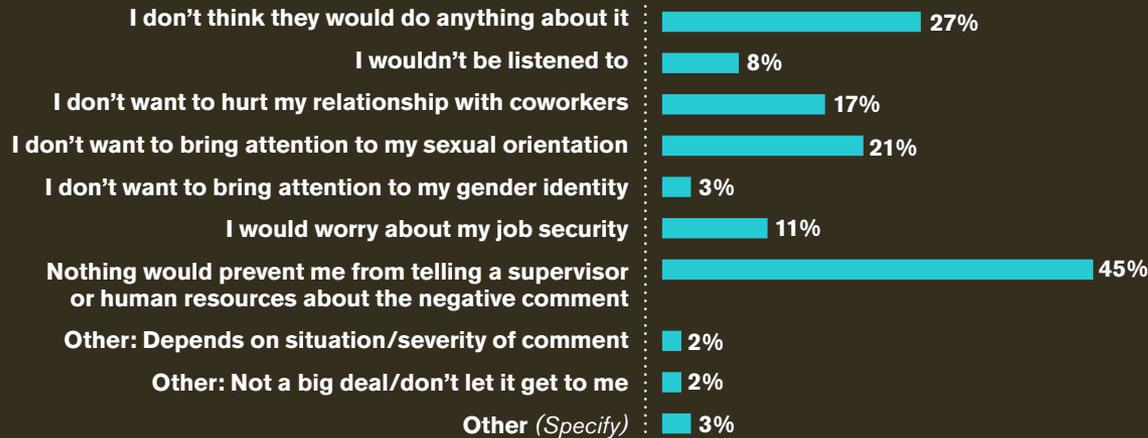


2013 LGBT ■
2013 Non-LGBT ■

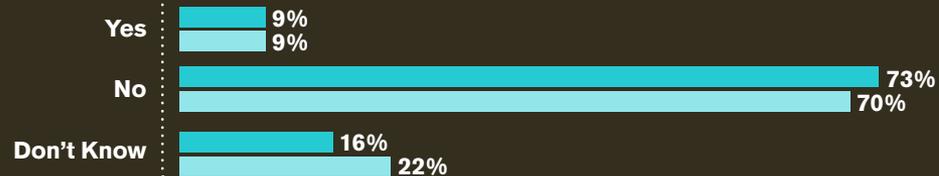


What might prevent you from telling a supervisor or human resources about the negative comment?

MULTIPLE RESPONSE (Check any that apply.)



Has your supervisor ever made negative comments about LGBT people?



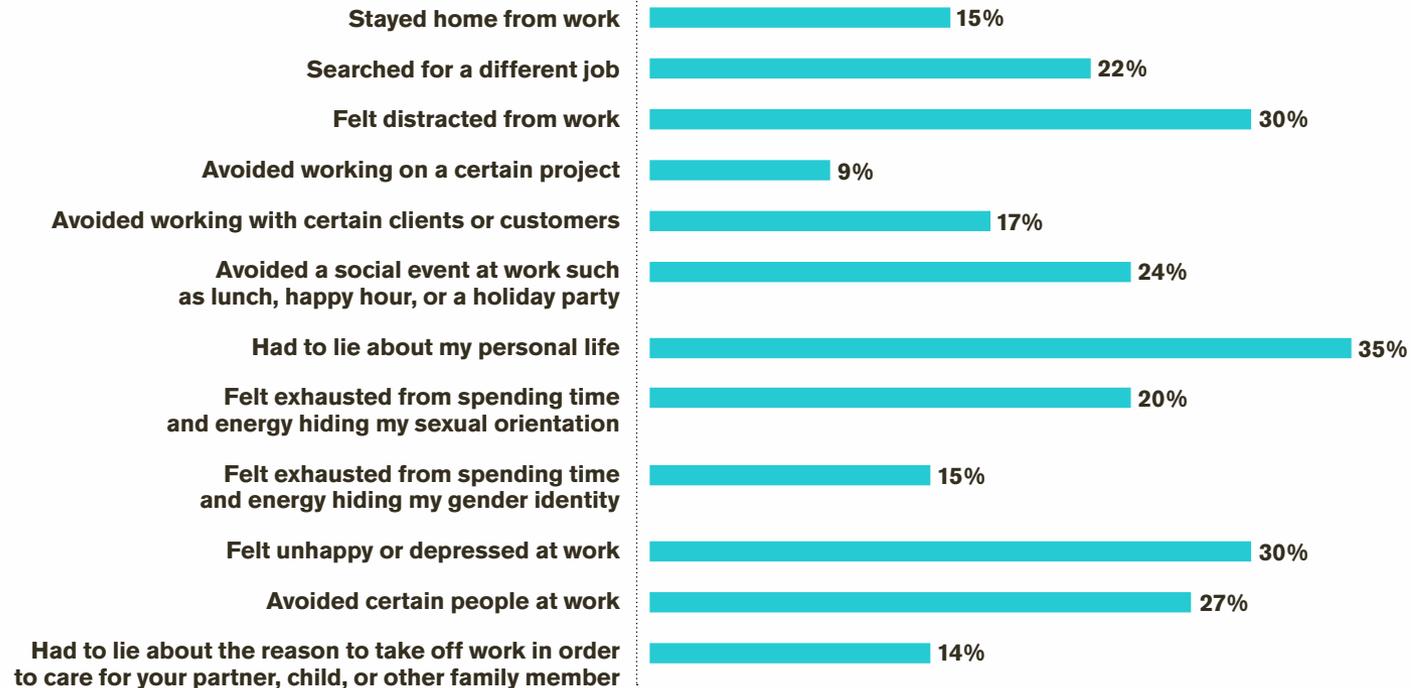
2013 LGBT ■
2009 LGBT ■



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Overall Business Impact

Employee engagement suffers by up to 30 percent due to unwelcoming environments. When asked about the following results of experiencing a negative workplace environment and/or feeling compelled to be closeted, LGBT workers reported the following effects on their productivity, engagement with coworkers and overall sentiments about their job.



IMPACT

Employee Retention | On the flip side, the rewards of an inclusive environment for LGBT employees are borne out in retention data with a full **one in four employees reporting staying in a job specifically because the environment was inclusive.**

26%

of LGBT Employees
Stayed in a Job
Because the Environment
was Accepting

9%

of LGBT Employees
Left a Job Because
the Environment was
Not Accepting



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Deena Fidas, *Author & Research Leader*
Liz Cooper, *Report Contributor & Analyst*

HRC Foundation's Workplace Equality Program is a nationally recognized source of expert information and advice on lesbian, gay, bisexual and transgender workplace issues. It provides decision makers with cutting-edge research, expert counsel, online resources, best practices information and on-site training and education. Program staff serve as trusted consultants to diversity professionals and other executives seeking to position their business as welcoming workplaces that respect all employees, regardless of sexual orientation and gender identity or expression. The Workplace Equality Program also makes available the expertise of the HRC Business Council for invaluable peer-to-peer advice.

Deena Fidas

Director, HRC Foundation Workplace Equality Program

Deena leads the corporate programs of the Workplace Equality Program, including the Corporate Equality Index survey and annual report. She also leads the Human Rights Campaign Foundation's published research on the experiences of LGBT workers nationwide, including the seminal Degrees of Equality study that found over half of LGBT workers remain closeted on the job. Fidas has consulted directly with dozens of Fortune 500 and other major businesses on the implementation of equitable policies and benefits for diverse employee populations. Most recently Fidas expanded the work of the Corporate Equality Programs to include global LGBT workforce best practices. In this capacity, she has conducted trainings in the US and abroad on workforce diversity and best practices for inclusion before corporate and public sector audiences. Fidas has been featured in The Washington Post, Mexico's Reforma, Pacifica Radio and she has been a quoted source for the Associated Press, The Wall Street Journal, Forbes, Fortune and other news outlets. Formerly working in political fundraising, she joined the Workplace Project in 2007. Fidas holds a master's degree in sociology from American University in Washington, D.C.

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Liz Cooper

Manager, HRC Foundation Workplace Equality Program

Liz joined HRC in August 2010. As Manager, Liz engages directly with employers to identify and improve LGBT-inclusive policies and practices. Cooper brings her background in sales marketing research to develop the Program's resources on LGBT diversity and inclusion best practices aimed at employers, employees, and consumers. She has a special focus on engaging new businesses to participate in the CEI survey, and also oversees the annual Buying for Workplace Equality Guide. In addition, Cooper has enlisted the support of dozens of major businesses for pro-equality legislation across the country. She also uses her advocacy to help elevate the role of allies in the LGBT community. By making allies a more visible part of the workforce, Cooper hopes to make a fully inclusive culture the new standard for employers, allowing employees to be authentic and open in their workplace environment. Cooper holds a bachelor's degree in political science from Davidson College in North Carolina.

Jenna Raspanti

Coordinator, HRC Foundation Workplace Equality Program

Jenna joined the Workplace Equality Program in January 2013 as an undergraduate intern and was on boarded as full-time staff in July 2013. She engages directly with employers to identify and improve LGBT-inclusive policies and practices. Jenna brings her background in client service and event planning to provide key administrative and logistical support to new and continuing participants in the Corporate Equality Index survey and process. She helps oversee corporate communications and participates in outreach and recruitment toward new major businesses to participate in the CEI survey. Jenna also performs ongoing research to develop the program's resources on best practices and policies relating to LGBT workplace equality. Jenna holds a bachelor's degree from University of California, Santa Barbara in sociology and political science.