Left Behind

How LGBT Young People Are Excluded from Economic Prosperity

By Zenen Jaimes Pérez  July 2014
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Contents

1 Introduction and summary

4 A portrait of LGBT young people

7 Barriers to good jobs for LGBT young people

19 Recommendations

23 Conclusions

25 Endnotes
Introduction and summary

The Millennial generation—the cohort of young people born in the early 1980s through the early 2000s—reflects the greatest level of generational diversity in U.S. history. More than at any other time, America’s young people are redefining the role of the workplace as a space in which workers from all types of diverse backgrounds come together. This is particularly true of this generation of lesbian, gay, bisexual, and transgender, or LGBT, people. While their experiences may vary based on where in the country they live, LGBT Millennials have an especially unique workplace experience relative to older generations of LGBT people, given that they are, on the whole, coming out earlier and expressing their gender identities and sexual orientations in all facets of their lives, including on the job.

However, for LGBT young people, the basic American bargain—that people who work hard and meet their responsibilities can get ahead—has not held true. For the past several decades, unemployment for young people under age 25 has been more than twice the national average.1 Millions of young people are struggling to find work, and even those who have a job have no guarantee of economic security. Young people are stuck in low-quality jobs that lack adequate workplace protections. Moreover, these challenges are exacerbated for LGBT youth.

As Millennials enter the workforce in increasing numbers, employers can also expect to see greater numbers of LGBT workers. According to a 2012 Gallup survey, 6.4 percent of adults ages 18 to 29, approximately 3.4 million people, self-identify as LGBT—double the rate of adults ages 30 to 49.2

In June 2014, President Barack Obama announced that he would issue an executive order forbidding companies that contract with the federal government from discriminating against employees on the basis of sexual orientation or gender identity.3 The order extends former presidents’ previously issued executive orders that ban employment discrimination on the basis of race, color, religion, sex, or national origin among contractors and subcontractors who do more than $10,000 in business with the government in any one year.4 However, the executive order...
does not extend to the entire nation, and currently, no federal legislation provides explicit protections for LGBT workers. Furthermore, fewer than half of states—21 states, including the District of Columbia—have laws that protect young workers on the basis of sexual orientation and gender identity and expression. This means that an increasingly larger group of young workers—those who identify as LGBT—face even greater challenges to enter and succeed in the workplace.

What’s more, LGBT young people face identity-related challenges linked to race- and gender-based discrimination. More than one-third of self-identified LGBT young people in the country are people of color, and almost twice as many women ages 18 to 29 self-identify as LGBT than men in the same age group. These two groups—women and people of color—face their own unique challenges in the workplace that add to discrimination based on sexual orientation, gender identity, and age.

The combination of identity-linked discrimination and the overall weakness of the job market for young workers has not only led to high barriers of entry into the workplace but has also created a system that lacks fairness and equality for LGBT young people. This report outlines some of the problems faced by young people in the current job market and the added challenges LGBT young people encounter as they attempt to enter the workforce.

This report also outlines policy recommendations to ensure that the basic bargain of upward economic mobility is attainable for LGBT young people. These policies will strengthen the middle class, lower poverty and homelessness for LGBT youth, and enhance job security for millions of young people. Specifically, lawmakers can improve the economic security of LGBT young people by taking the following actions:

• Pass federal legislation that bans employment discrimination based on sexual orientation and gender identity.

• Expand the Earned Income Tax Credit, or EITC, for childless workers and lower the eligibility age limit from 25 to 18.

• Increase data collection, including federal and state surveys to gather sexual orientation and gender identity data to assist researchers.

• Raise the minimum wage to $10.10 per hour.
• Guarantee paid family and medical leave.

• Increase investments in job-training and employment programs.

• Eliminate educational barriers for LGBT youth by passing legislation to reduce discrimination and bullying in schools, and work with state and local governments to promote alternative disciplinary policies.

These policy actions will help ensure that LGBT young people are treated fairly no matter where they work or live. It’s time to fully embrace this fundamental truth: Our economy is stronger when all workers are treated fairly and have the tools they need to succeed.
A portrait of LGBT young people

LGBT people have long fought for increased visibility and protections under the law. American attitudes toward LGBT people have shifted dramatically in the past decade alone, and young people have some of the highest rates of support for pro-LGBT policies. Young people are more likely not only to support policies beneficial to LGBT people but also to self-identify as LGBT. The combination of greater family and peer acceptance has meant that the average coming-out age has dropped: In 1991, the average coming-out age was 25 years old, compared with 16 years old in 2010.7

The LGBT population is overwhelmingly young

Of the 52.8 million people ages 18 to 29, 3.4 million—or 6.4 percent—identify as LGBT. This rate is twice as high as its counterpart among those ages 30 to 49 and three times as high as the rate of seniors ages 65 and older who self-identify as LGBT.8 This phenomenon is also reflected in overall demographic data, with people from ages 18 to 34 making up 26 percent of the general population and a significantly higher 36 percent of the total LGBT population.

Subgroups within the LGBT community also have high proportions of young people. Of the respondents to the 2011 National Transgender Discrimination Survey, 19 percent identified as being 18 years old to 24 years old.9 Additionally, 38 percent of bisexual respondents to the Pew Research Center’s national LGBT survey were ages 18 to 29.10

America’s LGBT population is overwhelmingly young when compared with the general population, and the percent of self-identifying LGBT people under age 18 is growing.11 Of the estimated 5.4 million LGBT workers in the U.S. labor force, around 1.9 million workers are ages 18 to 29.12 Any policies regarding the LGBT population in the country, therefore, must look at the needs of young people—particularly those ages 18 to 34—who suffer from compounded barriers in the workplace.
Women and people of color make up a higher share of LGBT young people

Similar to Millennials as a whole, LGBT young people reflect the growing gender, geographic, and racial diversity of the broader LGBT population and the country. Young women are more likely than young men to identify as LGBT, and more than half of these women identify as bisexual. Overall, 2.862 million of the 5.4 million LGBT workers are women and therefore face potential discrimination based on sexual orientation and/or gender identity and expression, as well as many of the issues that heterosexual women face in the workforce.

Additionally, young people are more likely to identify as racial or ethnic minorities. Among Millennials ages 18 to 34, slightly more than 14 percent identify as black, non-Hispanic; roughly 20 percent identify as Latino; and just upward of 5 percent identify as Asian. In other words, approximately 40 percent of young people identify as people of color. Among young LGBT workers, the rate is similar: 777,600 individuals out of the total 1.9 million are people of color. However, the proportion of young LGBT workers who identify as people of color—40 percent—is much higher than that of LGBT workers above age 34. In this age cohort, just 28 percent—967,000 individuals out of a population of 3,456,000 people—are people of color.

LGBT young people live in all sections of America

Despite the common assumption that LGBT people predominantly live in major metropolitan areas or in states with favorable policies toward LGBT people, data from the U.S. Census Bureau tell a story of an LGBT population that is widely dispersed geographically. That trend is no different for LGBT young people: As many as 4.3 million LGBT people, including 1.54 million ages 18 to 34, live in areas with no state laws that provide employment protections based on sexual orientation or gender identity and expression. In addition to this lack of workplace protection where they live, young adults today experience relatively low rates of geographic mobility. According to the U.S. Census Bureau, in 1963, more than 36 percent of young adults ages 25 to 29 had moved in the past 12 months, whereas in 2013 that number had fallen to slightly more than 23 percent.
Although scant research exists that examines the mobility of LGBT people, most people—including LGBT individuals—stay where they grew up. Reduced mobility for young people overall means that LGBT young people may be less able to leave hostile climates in search of better opportunities. This lack of mobility can also increase the challenges young people face—particularly when factoring in the fact that the country is still working its way out of the greatest economic recession since the Great Depression, as well as the reality that many young people carry unprecedented levels of student debt, which limits economic and geographic mobility.
Barriers to good jobs for LGBT young people

The economy has failed LGBT young people in many ways, including unemployment and underemployment, high rates of poverty and homelessness, educational barriers, hiring bias and discrimination, and unequal benefits. For LGBT youth, these systemic failures can magnify the challenges they experience related to their sexual orientation, gender identity, race, ethnicity, and age. LGBT young people often find themselves at a huge disadvantage at a point in their lives when access to and participation in the economy is most critical for establishing long-term economic security.

LGBT youth are at higher risk for homelessness and poverty

Homelessness and poverty threaten millions of young people throughout the United States. For a variety of reasons, this disturbing reality disproportionately affects LGBT youth, and thus further impedes their ability to enter and remain in the workforce.

A lack of adequate data collection and definitions of homelessness for individuals of all ages, particularly young people, makes it difficult to measure the precise extent of the problem. In this report, the term “homeless youth” typically refers to unaccompanied young people ages 12 to 24 who find it impossible to live safely with a relative or in a safe, alternative living arrangement. Additionally, homelessness is defined for the purposes of this report by experiences as varied as living in a place not meant for human habitation and facing a lack of stable housing in the form of a lease or owned home.

Because LGBT young people are coming out at a younger age, they are all too often met with family rejection or abuse that forces them from their homes. According to the National Health Care for the Homeless Council, it is estimated that 750,000 to 2 million young people ages 18 to 24 experience homelessness annually, with an additional 1.7 million minors in the United States who lack safe and stable housing each year.
LGBT youth represent a disproportionate amount of homeless youth in the country. Although LGBT people make up only 6.4 percent of the total Millennial population, an estimated 20 percent to 40 percent of homeless youth identify as LGBT or believe they may be LGBT. Additionally, LGBT homeless youth are disproportionately people of color. One study recently found that, among homeless youth who identify as gay or lesbian, 44 percent identified as black and 26 percent as Latino. For transgender young people, 62 percent of those experiencing homelessness indicated they are black, and 20 percent indicated they are Latino.

Homelessness can also have far-reaching effects on the employment and wages of LGBT young people. Poor qualifications and high support needs, including higher use of acute health services and temporary accommodations, make it difficult for homeless young people to find work. Additionally, many homeless people have to overcome barriers such as limited transportation and reduced access to educational and training programs. Because LGBT youth are heavily affected by homelessness, too many of them will face short- and long-term employment challenges.

Poverty also disproportionately affects LGBT youth and young people as a whole. More than 20 percent of young people ages 18 to 24 live in poverty, compared with 15 percent of the national average. For black, Latino, and Asian American and Pacific Islander young people, the poverty rates are even higher—with 30 percent of black, 21 percent of Asian American and Pacific Islander, and 26 percent of Latino young people living in poverty. Forty-five percent of young people ages 18 to 34 report experiencing food insecurity—defined as lacking the money to buy enough to nourish themselves.

A report by the Williams Institute found that young men under age 25 in same-sex couples are about 10 times more likely to be in poverty—at 21.7 percent—than men in same-sex couples ages 55 and older. Additionally, women in same-sex couples who are younger than 25 years old have the highest poverty rates for any age group and couple type—25.3 percent. For transgender people, poverty can be even more devastating: They are four times more likely than the general population to be living in extreme poverty, making less than $10,000 per year.

The impact of poverty and homelessness on LGBT and young people has left 3.4 million LGBT young people vulnerable to economic insecurity. Like homelessness, poverty makes it more difficult to travel to interviews, pay for necessities, and care for one’s health, making the job hunt all the more difficult.
Poverty and homelessness come together to create a vicious cycle where these two factors limit employment opportunities and further long-term unemployment, increasing the chance of even greater poverty and income loss over a person’s lifetime. If LGBT young people face greater chances of poverty and homelessness, then it becomes easier for them to be trapped in this cycle.

High unemployment for LGBT young people leads to long-term loss

Young people also disproportionately suffer from unemployment, which can have long-term effects on their ability to build a secure future. While many workers have been slowly re-entering the workforce, the unemployment rate for Americans ages 16 to 24 hovers around 14.2 percent, more than double the national rate of unemployment. For youth of color, the rate is even higher: 15.5 percent of Latino young people and more than 26 percent of black youth are currently unemployed.

LGBT people are certainly not immune to these trends. Transgender people face unemployment rates that are, on average, twice those of the general population, with rates for transgender African Americans at levels four times as high as the general population. What’s more, according to a recent report by the Center for American Progress, the Movement Advancement Project, and the Human Rights Campaign, lesbian, gay, and bisexual adults are unemployed at a rate 40 percent higher than the national average.

A lack of adequate data collection on LGBT youth unemployment makes it difficult to accurately measure the scope of the problem for this community. However, it is clear that LGBT young people are more likely to face challenges that are known to negatively affect employment.

Furthermore, the impact of unemployment does not disappear when someone finds a job. In fact, joblessness will follow many LGBT young people for years. Research shows that workers who are unemployed as young adults earn lower wages for many years following their period of unemployment due to lost work experience and missed opportunities to develop skills. A young person who experiences long-term unemployment, defined by the U.S. Bureau of Labor Statistics as unemployment that lasts 27 weeks or longer, can expect to lose $22,000 over the next 10 years due to forgone work experience and missed opportunities to develop skills. These estimated losses do not include the young workers who have given up on finding a job, and they fail to take into account the many workers who are underemployed relative to their skills and education levels.
For LGBT young people, especially transgender individuals, workplace discrimination and a weak economy will likely allow these long-term losses to continue over time.

Current federal programs to address youth unemployment have expanded in the past six years and have helped thousands of young people find jobs. Young workers reported that they valued the opportunity to hold a job, boost their resumes, and have experience in a professional environment through programs such as Summer Jobs+, AmeriCorps, and partnerships between businesses and educational institutions to train young workers. All young workers will need training and experience to make sure their skills and labor are applied throughout the year. LGBT young people in particular can get an opportunity to gain experience and skills outside of the school setting in programs with federal workplace protections.

Educational barriers lead to greater challenges for LGBT youth

Current data on the educational attainment of LGBT adults do not paint a clear image. While a recent poll showed that Americans with lower education levels are more likely to identify as LGBT than those with college or postgraduate degrees, Census data indicate that an individual in a same-sex partnership has a greater probability of having at least a bachelor’s degree than does an individual in an opposite-sex couple.

Research has demonstrated that LGBT young people—especially youth of color—are frequently pushed out of schools through a combination of violence, lack of awareness of support resources, and criminalization by educational institutions and law enforcement. More than 85 percent of LGBT young people report experiencing harassment related to their sexual orientation and/or gender identity. LGBT black and Latino young people in particular report high levels of harassment, with more than 20 percent in each group reporting physical harm. Additionally, more than 20 percent of transgender young people report that they have had to drop out of school due to harassment.

These challenges are further magnified due to unjust disciplinary standards for LGBT youth, which funnel these young people into the criminal justice system instead of supporting them. As a result, LGBT youth currently represent 15 percent of those in the juvenile justice system, with the majority of these young people identifying as African American or Latino. The increasing frequency of harsh zero-tolerance policies that fail to take into account the lived experiences of LGBT youth play a large role in this process of criminalization.
The harassment and disciplinary policies that LGBT youth experience are associated with greater truancy, absenteeism, and dropout rates, making it much harder for LGBT young people to receive a high school diploma—a necessary step to pursue a higher education and a way to significantly increase one’s chances of securing employment. Among 18 to 24 year olds, one in three people with less than a high school diploma was unemployed in 2013, compared with one in five with only a high school diploma and 1 in 10 with at least a bachelor’s degree. Too many LGBT young people are dropping out of high school due to a hostile school climate. Those who do graduate from high school and seek higher education find that they are facing ever-increasing tuition costs, an obstacle made more severe by a lack of family support.

It is hard for LGBT young people to find good jobs

For many young workers, bias in recruitment and hiring remains a problem. Workplace discrimination laws have helped eliminate some of the most blatant examples of hiring inequity through policies that protect workers of color, women, and people with disabilities. However, evidence suggests that hidden and often unrecognizable bias still exists in the workplace.

Evidence shows that race and gender biases have led employers to make hiring decisions based on people’s perceived identities rather than on their qualifications. Hiring decisions based on a person’s perceived identity heavily affect women and people of color. As the most diverse generation in our nation’s history continues to enter the workforce, increasing numbers of young people will face these biases in addition to the challenges the job market already poses.

LGBT young people do and will continue to face a great deal of these hiring biases. Between 8 percent and 17 percent of lesbian, gay, and bisexual workers report being unfairly fired or denied employment based on their sexual orientation, and between 13 percent and 47 percent of transgender workers report being denied employment on the basis of gender identity or expression. LGBT job applicants often fear identifying themselves as LGBT during a job search and must weigh their options in terms of how they present themselves during and after the application process. For many young people, their low job prospects often mean that they must remain completely closeted to secure employment.
Fear of bias and the reality that young people at all educational levels are disproportionately affected by unemployment relative to their older counterparts have pushed LGBT young people back into the closet. Without the same kinds of legal protections that their straight counterparts have, many LGBT youth decide to hide their sexual orientation or gender identity to avoid scrutiny by employers. Some LGBT young people have gone so far as to remove their leadership experience in school gay-straight alliances and LGBT student groups from their résumés, change their gender expressions during their interviews, and delete pictures of themselves at LGBT-related events, such as their local pride parade or with their significant others.

The combination of a poor job market and perceived biases without legal protections has made for a stressful situation for LGBT young people. Studies show that the process of coming out as LGBT can have positive health benefits if met with acceptance. Conversely, LGBT young people in the closet experience higher rates of depression, cynicism, stress, or anxious feelings that can lead to longer-term health problems. LGBT young people now face an impossible choice...
between closting themselves to maximize their chances of finding employment—at the risk of potential health consequences—and facing greater barriers to employment due to a lack of legal protections and implicit biases.

On-the-job discrimination is a barrier to maintaining employment

Unfortunately, securing employment does not make LGBT young people immune to further workplace challenges, such as demeaning jokes, verbal harassment, and anti-gay slurs. This type of work environment may make it difficult for LGBT young people to be productive, engaged, and loyal to their employer, and as a result may impact their ability to be promoted. Additionally, without nationwide workplace protections, millions of LGBT young people face the risk of being fired simply for being LGBT.

According to the Human Rights Campaign Foundation, 6 out of 10 LGBT workers have heard anti-LGBT jokes or slurs at work, and 8 out of 10 transgender workers reported harassment or mistreatment. Harassment and discrimination in the workplace can have serious negative consequences, with LGBT workers reporting more depression, distraction, and exhaustion than their non-LGBT counterparts. Typically, LGBT workers face a difficult choice when confronted with a hostile workplace: leave a job with financial stability or return to work each day only to experience greater amounts of discomfort, harassment, and even violence. However, for the younger generation of LGBT workers, the choice is compounded. In a job market that is already exceedingly difficult for young people, leaving a job can mean long periods of unemployment and economic insecurity. The reality is that many LGBT young workers cannot feasibly leave their employment even if they experience harassment and discrimination.

Another result of this dynamic is the climbing rate of LGBT young people who remain closeted at work. Significant numbers of LGBT workers continue to experience a negative workplace environment, and a majority—51 percent—decide to hide their LGBT identity while at work. However, it is again illuminating to look at the age breakdown: Only 5 percent of LGBT young people ages 18 to 24 are totally open at work, while, in stark contrast, 32 percent of LGBT people ages 35 to 44 are out in the workplace. LGBT young people say they are not open to everyone at work because they are worried that knowledge of their sexual orientation or gender identity would “adversely affect the relationships with co-workers whom are older and might be perceived as less accepting.” Many of these young people have
been at their workplace for less than two years and fear that making “others uncomfortable” might limit their career prospects or, worse, get them fired. Additionally, it is not a stretch to theorize that many young LGBT workers feel they can better protect themselves if they remain closeted. Almost 40 percent of LGBT workers report discrimination and harassment when they are out at work, compared with the 10 percent who experience the same challenges while closeted.

Although young people have taken the lead in shifting viewpoints for LGBT issues, many LGBT young people still face challenges navigating their identities in the job market and workplace. This reality has serious consequences for young LGBT workers who feel that they are unable to ask about important company policies regarding health benefits for their partners or access to transition-related care for transgender workers.

Story 2: Caitlyn Anderson

I was hired under the table at a small, old-time diner as a busser. I worked the front of the house, obviously, and I was paid $5 per hour and tipped out. When I first entered the space, I was greeted by Bill O’Reilly articles, rants from the owners about marriage equality, and rants about the president. I was warned by another, more accepting co-worker to not be as open about my political views or the fact that I was queer.

While I was working at the diner, I was also volunteering at the LGBT Center of Southern Nevada, and they wanted to know more about “The Center” that I worked at. At one point, a younger co-worker confronted me during work hours and asked me abruptly if I was “bisexual or a lesbian or something.” I felt [I had] no choice but to admit it. Her husband also worked at the diner, and less than two weeks later, he called me while I was off asking if I would have a threesome with him and his wife, my other co-worker. He stated the fact that I was bisexual turned him on and he couldn’t keep his eyes off me whenever I was in the same part of the diner as him. Eventually, I was fired due to some customer’s reservations over my political views, sexual orientation, and race.

Caitlyn is 17 years old and is from Las Vegas, Nevada.

Source: Personal communication from Caitlyn Anderson, June 21, 2014.

Unequal treatment leaves LGBT young people at greater risk

Current workplace policies in the United States exclude too many young people and LGBT people from opportunities to prosper. In addition to facing bias in their job searches and harassment and discrimination on the job, LGBT young people have less access to the same job-related benefits that non-LGBT workers enjoy.
Minimum-wage earners are disproportionately LGBT young people

Wages for nearly all Americans, and particularly young adults, have stagnated over the past 30 years. At the federal minimum wage of $7.25 per hour, a full-time worker who puts in 40 hours per week, 52 weeks per year, earns an annual salary of only $15,080. The low minimum wage led to a real median wage decline of nearly 30 percent between 2000 and 2012. The impact is even more severe for young people ages 16 to 34, who comprise 58 percent of workers earning the minimum wage or less. Low wages have affected even the most educated young people, as more than 4 in 10 minimum-wage workers are college graduates or have at least some college education. In 2012, 70 percent more college graduates were working a minimum-wage job than their counterparts just a decade ago.

For LGBT young people, the low minimum wage can be especially harmful, as it operates in conjunction with higher rates of school dropout, poverty and homelessness, and unemployment that make it more difficult to enter the middle class. Although there is no concrete data on the number of LGBT young people who work minimum-wage jobs, it is more than conjecture to believe that, given their generational, racial, and ethnic makeup, this population is especially hard hit by low wages. For instance, people of color make up just 32 percent of the workforce but represent 42 percent of low-wage earners. With more than 40 percent of LGBT young people also identifying as people of color, this overrepresentation of racial and ethnic minorities in low-wage work cannot be separated from the struggles of young and LGBT people to secure employment that pays a living wage.

A recent failed procedural vote in the Senate blocked the Fair Minimum Wage Act of 2013—S. 460—which would have raised the federal minimum wage from $7.25 to $10.10 per hour by 2015. It would also have allowed for adjustment of the minimum wage each year based on cost-of-living increases. The National Center for Transgender Equality estimates that more than 750,000 LGBT workers would be positively affected by an increase in the minimum wage. It can be estimated that more than 270,000 of these workers would be LGBT young people ages 18 to 34. LGBT youth are currently working harder than ever, but they are still struggling to pay their bills, rent, and student loans—not to mention save for retirement.

It should come as no surprise that 85 percent of young people ages 18 and 34 support both increasing the minimum wage and ensuring that it continues to rise with inflation, compared with an 80 percent rate of support among the general public.
Paid family and medical leave excludes LGBT young people

Nearly all workers must, at some point in their lives, take time away from work to recover from an illness or address a family-related issue. Despite this reality, as well as the fact that the majority of working Americans do not have the resources to take sufficient time off without risking their jobs or economic security, the United States remains the world’s only advanced economy that does not guarantee workers access to paid leave from work. Without access to paid leave, individuals too often find themselves in a position where they are forced to choose between providing care for a loved one and earning enough money to pay rent, buy groceries, or pay basic household repair bills.

Additionally, the current Family and Medical Leave Act, or FMLA—the only federal law designed to protect workers without disabilities who need family leave—provides for unpaid leave but does not protect 40 percent of the total workforce due to tight eligibility restrictions. In order to benefit from the FMLA, workers must have at least 12 months of tenure with their employer, have worked at least 1,250 hours in the previous year, and work for an employer who employs at least 50 people within a 75-mile radius of the employee’s work site.

In June 2014, President Obama directed the Department of Labor to clarify that the FMLA applies to LGBT couples, even in states where same-sex marriage is not legal. However, the eligibility rules—specifically, the job-tenure requirements—remain too stringent for most LGBT young people to access because of the significant hurdles they face when it comes to long-term employment. Additionally, LGBT young workers who are not out in the workplace and need to take leave to care for a spouse or a partner may struggle to explain these reasons for fear of potential retaliation from employers. This combination of low-paying jobs, higher health needs—particularly for young transgender people, due to factors such as low rates of health insurance coverage, high rates of stress due to systemic harassment and discrimination, and a lack of cultural competency in the health care system—and exclusion from government programs makes it almost impossible for LGBT young people to miss a day of work.
The Earned Income Tax Credit fails to sufficiently cover LGBT young people

The EITC is a refundable federal income tax credit for low-income working individuals and families. Congress originally approved the tax-credit legislation in 1975, and it has proven to be one of the most effective tools for lifting people out of poverty by increasing every additional dollar earned through employment until it reaches a maximum value.88

The value of the EITC changes based on the worker’s income, marital status, and the number of children in the family, with married couples or individuals with children receiving the largest benefit.89 The program expands opportunities for millions of Americans but continues to leave many LGBT youth in a coverage gap.

First, the EITC is not available for childless workers below age 25, thus leaving out a significant chunk of LGBT young people who are working and finding it difficult to make ends meet. However, almost half of all young people will have a child before age 25, meaning they can qualify for the EITC.90 But this is not so simple for LGBT young people. Data from the National Survey of Family Growth—conducted by the National Center for Health Statistics—show that more than 35 percent of lesbians ages 18 to 44 have given birth, compared with 65 percent of heterosexual and bisexual women.91 Among gay men, 16 percent have had a biological or adopted child, compared with 48 percent of heterosexual and bisexual men.92 Although there are many LGBT young people who are parenting, the EITC still leaves out a large portion of childless LGBT people who cannot qualify until they are 25 years old.

For married young couples, the American Taxpayer Relief Act of 2012—enacted in January 2013—changes EITC eligibility by reducing the financial EITC penalty young couples face when they marry. It allows married young couples to receive larger benefits at modestly higher income levels.93 The average age of marriage for non-LGBT couples in the United States is 27 for women and 29 for men, up from 23 for women and 26 for men in 1990.94 However, the same does not hold true for LGBT young people. Recent court rulings have dramatically expanded access to marriage for millions of LGBT couples in the country, but the average age of those marrying is still dramatically higher than that of non-LGBT couples: The median age of gay newlyweds is 50.5, and 58 percent of same-sex newlyweds are over age 40.95
The combination of age restrictions, requirements around children, and older average age of marriage means that the EITC leaves thousands of LGBT young people without the benefits that their non-LGBT contemporaries enjoy.

The pay gap negatively affects women and LGBT young people

Although it is difficult to separate the influence of gender, gender identity, and sexual orientation on workplace wages, studies have consistently shown that these factors do play a role in the creation of a wage penalty for LGBT workers.96

Gay and bisexual men earn 10 percent to 32 percent less than heterosexual men, even when controlling for important factors such as education, occupation, and region of the country.97 A report by the Movement Advancement Project found that several factors lead to this wage penalty, including differences in career choices. For instance, gay and bisexual men are less likely to enter historically male-dominated fields that are higher paying.98 Furthermore, the report also found that a fear of bias and losing a job leads many gay and bisexual men to avoid situations that could put them in jeopardy, such as asking for a raise or a higher starting salary. Combined with a lack of workplace protections, gender stereotypes and prejudice have left thousands of young gay and bisexual men at the mercy of their employers.99

Ironically, lesbian and bisexual young women tend to experience a wage advantage over heterosexual women. This phenomenon can be attributed partially to higher educational achievement and different career choices compared with heterosexual women.100 Ultimately, however, young lesbian and bisexual women experience higher rates of poverty and need of government assistance than heterosexual women and make less than men overall.101

These factors place LGBT young people in a precarious economic position. The loss in earnings for gay and bisexual men compared with their straight counterparts, as well as the lower wages for all women, contribute to poor economic outcomes for LGBT young people, who already make up a disproportionate number of low-wage workers.
Recommendations

To ensure that the basic American bargain of hard work begetting upward economic mobility is available for LGBT young people, lawmakers and policymakers should consider policies that will strengthen the middle class, lower poverty and homelessness for LGBT youth, and enhance job security for millions of Americans. Specifically, lawmakers can improve the economic security of LGBT young people by taking the following actions.

Pass federal legislation that bans employment discrimination based on sexual orientation and gender identity

In November 2013, nearly two decades after the original Employment Non-Discrimination Act, or ENDA, was proposed, the Senate voted to extend federal workplace protections to the country’s millions of LGBT workers. ENDA has the potential to help millions of LGBT young people achieve economic security and workplace stability. The federal legislation would also ensure uniform understanding among employers and workers of the types of protections available to LGBT Americans and would provide a clear path to legal recourse against discrimination and harassment.

As has been well documented, LGBT young people face high levels of workplace discrimination and need support to make sure that they can succeed in an economy that has left young people with the lowest economic prospects since the Great Depression.

Increase data collection

Research shows that young people have some of the highest barriers to entering and succeeding in the economy. Academic and policy research institutions should explore ways to collect more data on the challenges LGBT young people face in the economy. Additionally, federal and state surveys need to collect sexual orientation and gender identity data to assist researchers.
In particular, more focus should be placed on data for the LGBT population from ages 18 to 34—a group that faces different challenges than the older LGBT population and those under age 18. This will be increasingly important as each subsequent generation has more people who identify as LGBT.102

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**Expand the Earned Income Tax Credit to childless workers and lower the age limit from 25 to 18**

Lowering the EITC eligibility age to 18 would grant LGBT young people access to the wage supplements they need to strengthen their financial security early in their careers. This policy change will help millions of young workers who are struggling to make ends meet across income brackets. Childless LGBT young people under age 25 stand to benefit significantly from this change.

President Obama released his budget for fiscal year 2015 in March and proposed expanding the EITC by doubling the maximum credit to $1,000, lowering the age limit for childless workers from 25 to 21, and expanding the phase-out income range for the maximum credit from $8,220 to $11,500.103 These changes are a step forward and should be further expanded in the budget by lowering the qualifying age to 18 to make sure that all working LGBT young people benefit.

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**Raise the minimum wage**

The current minimum wage is simply not sufficient to ensure that LGBT young people achieve the most basic living standard. Millennials and people of color make up a disproportionate number of minimum-wage workers, as well as a considerable percentage of the LGBT population. An increase in the minimum wage would have a significant effect on the ability of LGBT young people to achieve financial security.

A recent proposal by Sen. Tom Harkin (D-IA) and Rep. George Miller (D-CA) to increase the minimum wage to $10.10 per hour and link it to inflation failed in the upper chamber. Increasing the minimum wage to $10.10 per hour is an important first step—one that would help provide economic security to thousands of LGBT young people.
Guarantee paid family and medical leave

The Family and Medical Leave Act currently excludes millions of young people who have held their jobs for less than a year and does not provide the necessary paid leave for young workers who are already struggling to pay their bills. Additionally, the lack of federal workplace protections leaves LGBT young people at risk of losing their jobs if they choose to take time off work to address a medical issue related to their sexual orientation or gender identity or to care for a loved one—particularly their partner.

The recently proposed Family and Medical Insurance Leave Act, or FAMILY Act, would provide up to 12 weeks of paid leave for a worker’s serious illness; the serious illness of a child, parent, or spouse, including a domestic partner; the birth or adoption of a child; the injury of a family member who is in the military; or other problems arising from a service member’s deployment. Access to family leave insurance is designed to benefit all workers, regardless of their gender, parental status, age, ability, or income level. It would provide thousands of LGBT young people with much-needed workplace flexibility by ensuring compensation during family and medical leave. Providing this type of paid leave would align the United States with the vast majority of other countries.

Increase investments in job training and employment programs

LGBT young people face high unemployment rates and barriers to higher education that can limit their future economic security. The federal government should provide additional grants and resources for states and regional groups to create new apprenticeships and increase participation in existing apprenticeships. Additionally, creating mandatory funding for the Summer Jobs+ program for summer and year-round job opportunities and for AmeriCorps can benefit thousands of LGBT young people. These programs—which reduce unemployment and provide critical job training—also help young people hold a job, boost their résumés, and gain experience in a professional environment.

These programs currently include protections based on sexual orientation and gender identity that help ensure all young people have equal opportunity.
Pass legislation to reduce discrimination and bullying in schools and work with state and local governments to promote alternative disciplinary policies

The federal and state governments must take a proactive approach to ensure the long-term success of LGBT young people by eliminating educational barriers early in their lives. Congress should pass legislation such as the Safe Schools Improvement Act and the Student Non-Discrimination Act to reduce bullying and discrimination in schools. These pieces of legislation will allow for increased data collection concerning school bullying and, in turn, greater understanding of identity harassment as the root cause of the problem.

The federal government has already taken steps to highlight the disproportionate effects that harsh disciplinary policies have on LGBT young people, especially youth of color. However, more needs to be done. The federal government should work with state lawmakers and school districts to revise disciplinary policies to ensure student safety and stop any physical or verbal harassment of LGBT young people in schools. Such measures should also combat the disproportionate use of harsh disciplinary policies against LGBT students.
Conclusion

As the economy continues to recover from the Great Recession, the U.S. government must act to ensure that all workers are in a position to live economically secure and prosperous lives. However, LGBT young people are currently locked out of the most basic workplace protections that would allow them to work freely and without fear of discrimination and harassment. Moreover, these young people also face the undue burdens of higher rates of unemployment and poverty and suffer from discrimination and harassment that make getting and keeping a high-quality job extremely difficult.

As the LGBT population and the general population continue to evolve and reflect a more diverse future, we as a nation need to make sure that all workers have the same access to the basic American bargain—the concept that hard work means getting ahead—regardless of sexual orientation or gender identity. Although Millennial attitudes on LGBT rights have shifted enormously, the purse strings to economic security for young people are still controlled by older generations, many of whom do not see or understand the barriers LGBT young people face in the workplace.

It is time for the federal and state governments to work together to ensure that all young people, regardless of their race, sexual orientation, gender identity, or ethnicity, are included in and are integral to our shared economic prosperity.
About the author

Zenen Jaimes Pérez is the Policy Advocate for Generation Progress. Jaimes Pérez is from Austin, Texas, and previously worked at Advocates for Youth, where he focused on sex education, LGBT rights, HIV/AIDS, and abortion access for young people. He also served as a leadership intern with the Gay & Lesbian Victory Institute and was a Victory Congressional intern in the U.S. Senate. Jaimes Pérez has worked with numerous national organizations that focus on coalition work between LGBT, immigration, and Latino groups.

Jaimes Pérez graduated with a bachelor of science in foreign service from Georgetown University and is the proud son of Mexican immigrants to the United States.
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