



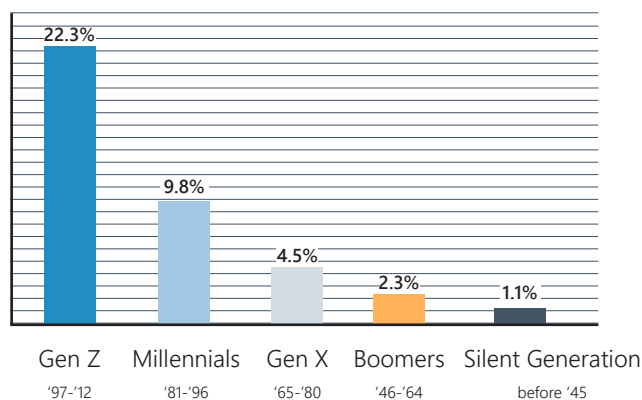
Don't Overlook the LGBTQ+ Population

By Michael Rusk, *Senior Vice President, Truist Life Insurance Services*

The LGBTQ+ community has been the subject of recent legislation and executive orders that shed light on this population segment's financial planning and insurance challenges. Understanding the specific requirements of this demographic is crucial for building a successful practice in the coming years within this growing market.

According to studies, as of 2023, approximately 7.6% of the adults in the U.S. identify as LGBTQ+, up from 5.6% in 2020.¹ It is important to note that these individuals span different generations with varying financial goals and priorities. Here is a breakdown of LGBTQ+ identification across different generations.

Percentage of Adults Identifying as LGTBQIA+ By Generation



Based on 2023 aggregated data from 2023 Gallup¹

It is interesting to note that, from generation to generation, individuals appear to feel increasingly more comfortable openly identifying when surveyed.

Over the years, there have been significant legal advancements that grant LGBTQ+ individuals additional protections and rights, which helps to align them with

their heterosexual counterparts when it comes to financial planning.

Key Changes Impacting the LGBTQ+ Community

2006 Pension Protection Act (PPA):

This act allows unmarried beneficiaries to receive continuous payments over time, reducing the tax burden they face.

2015 Legalization of Gay Marriage:

The legalization of gay marriage in all 50 states provided rights such as access to Social Security, pension and work benefits, the right to transfer property at death to a surviving spouse, and IRS marital tax benefits.

2020 U.S. Supreme Court Ruling:

The U.S. Supreme Court ruled that employment discrimination based on sexual orientation or gender identity is illegal, ensuring workplace equality for LGBTQ+ individuals.

2021 Consumer Financial Protection Bureau:

The Consumer Financial Protection Bureau clarified that the Equal Credit Opportunity Act passed in 1974 includes protections for LGBTQ+ people, ensuring fair access to credit.

Regarding financial planning, LGBTQ+ individuals face unique concerns and issues. Understanding these challenges is crucial for providing tailored solutions.

Family Planning

LGBTQ+ couples often encounter complex and costly family planning issues. From domestic and international adoptions to in vitro fertilization and surrogacy, the financial implications can be significant. My daughter and her wife recently mentioned setting aside \$50,000 to go through the in vitro fertilization process for their first child. Friends of theirs, a young gay couple, are setting a similar amount aside for adoption. They also mentioned that if they were to consider a surrogate, the cost could reach \$150,000 per child. These costs are staggering. Additionally, legal fees for establishing parental rights can add to the overall expenses.

77%

of LGBTQ+ millennials are
already parents or are
considering having children.²



Insurance Coverage

LIMRA data reveals that only 38% of LGBTQ+ adults have life insurance compared to 50% of the general population. Many LGBTQ+ individuals worry about their ability to support themselves in case of illness or injury, and they also express concerns about having a comfortable retirement. Addressing these concerns through suitable insurance coverage is crucial.

Retirement Planning

Saving for retirement may look a little different for individuals in the LGBTQ+ community. LGBTQ+ individuals tend to carry more college debt at the beginning of their careers and recognize income disparity throughout their careers compared to their straight counterparts. In addition, LGBTQ+ individuals often seek retirement destinations in more accepting parts of the country, which are usually urban areas with higher living costs. Understanding these factors is essential when helping LGBTQ+ clients plan for their retirement.

There is a growing focus on investing in companies with inclusive workplace policies and practices for LGBTQ+ individuals. The Human Rights Campaign's Corporate Responsibility Index tracks LGBTQ+ inclusivity, providing valuable insights into non-discriminatory company policies. Furthermore, venture capital firms now specialize in LGBTQ+ inclusive companies, highlighting the growing importance of these investments.

Bottom Line

The LGBTQ+ community represents a significant market for financial professionals. You can provide valuable support and guidance by taking the time to understand their unique needs and concerns. Don't overlook this opportunity to serve a diverse and expanding client base. As baby boomers comprise a smaller percentage of the overall population, the LGBTQ+ population's share is projected to continue to increase significantly. By embracing inclusivity and offering tailored solutions, you can establish a successful practice while positively impacting the lives of LGBTQ+ individuals and families. Reach out to your Crump sales team for more information on this growing market and how we can help find suitable insurance solutions for your clients in this community.

End Notes

¹ LGBTQ+ Identification in the U.S. Now at 7.6%

<https://news.gallup.com/poll/611864/lgbtq-identification.aspx>

² Family Equality (2019) LGBTQ Family Building Survey

<https://www.familyequality.org/fbs>

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