



THE LGBT FINANCIAL EXPERIENCE

2012-2013 Prudential
Research Study



THE LGBT FINANCIAL EXPERIENCE

Over the last decade, many companies have paid increasing attention to the Lesbian, Gay, Bisexual and Transgender (LGBT) market. While much of this attention has been focused on buying power and consumer behavior, little information has been available about the financial experience of the LGBT community.

At Prudential, we wanted to take an in-depth look at the current financial landscape for LGBT Americans to better understand the financial challenges and concerns of the community as a whole, same-sex couples and LGBT parents.

The research findings are eye opening and dispel common perceptions. While we found people to be largely optimistic about the future, the LGBT community, like most Americans, was affected by the recession and is very concerned about being able to retire.

The study demonstrates the diversity of financial experience among LGBT people. Financial health and decision-making vary significantly by gender, generation, ethnicity, state of residence and relationship status. The research also highlights financial concerns and challenges related to the legal status of LGBT relationships that are unique to the community.

This is an important baseline study that provides a snapshot of the financial lives and experience of LGBT Americans today. We hope that its insights will enable both Prudential and the financial services industry to better meet the LGBT community's financial needs.



CHARLES F. LOWREY
Executive Vice President
Chief Operating Officer, U.S. Businesses



SHARON C. TAYLOR
Senior Vice President, Human Resources
Chair of The Prudential Foundation

Figure 1. **LGBT Participant Breakdown**

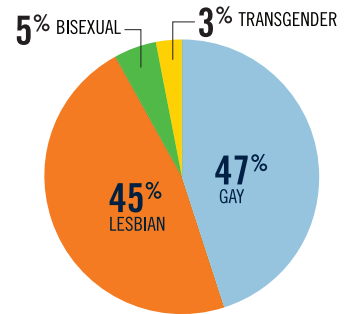
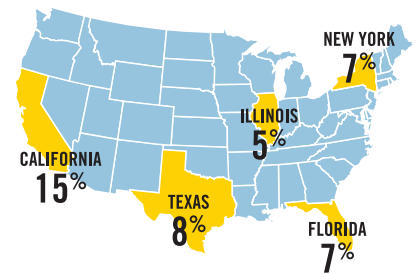


Figure 2. **Geographic Breakdown**



Survey participants represented all 50 states plus Washington D.C. Regions are balanced to 2010 U.S. Census data for same-sex households. Top five states indicated by percentage.

Learn more at Prudential.com/LGBT

METHODOLOGY

During August 2012, a diverse group of 1,401 Lesbian, Gay, Bisexual and Transgender (LGBT) Americans participated in an online survey about their financial health and experiences. To assure broad representation, participants needed only to define themselves as part of the LGBT community, and to be aged 25 to 68. The study reached both people who are “completely out” (64%) and those who are still at least somewhat “in the closet” (36%). LGBT Americans from every state and the District of Columbia participated in the survey. Survey respondents’ state of residence closely reflected the same-sex couple distribution captured during the 2010 U.S. Census.

The survey contained more than 70 multiple choice and write-in questions, which yielded more than 6,000 written comments about participants’ financial experience. Community Marketing, Inc. administered the study, and participants were members of its LGBT Research Panel.

General population statistics are from the U.S. Census or from a Prudential financial study in early 2012.

Charts showing participant demographics are included in this introduction (Figures 1-6) and throughout the report. The margin of error for results reported at the total sample level (n=1,401) is +/- 2.6% (95% confidence level).

More information and study results can also be downloaded at Prudential.com/LGBT.

Figure 3. **Ethnicity**

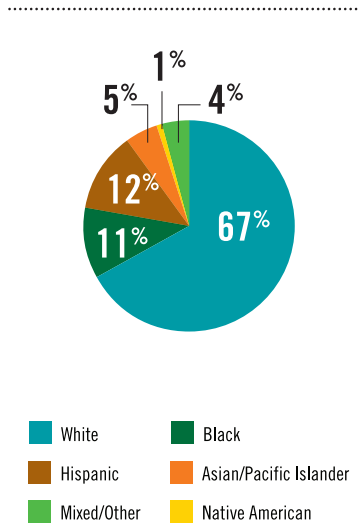


Figure 4. **Age and Generation**

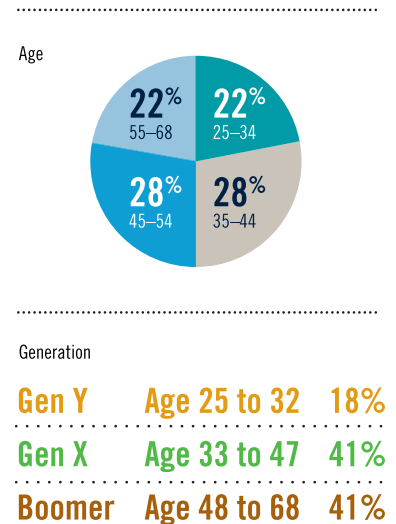


Figure 5. **How out are you?**

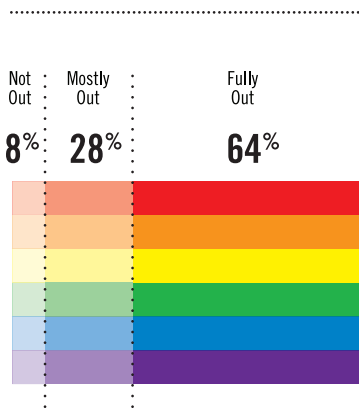
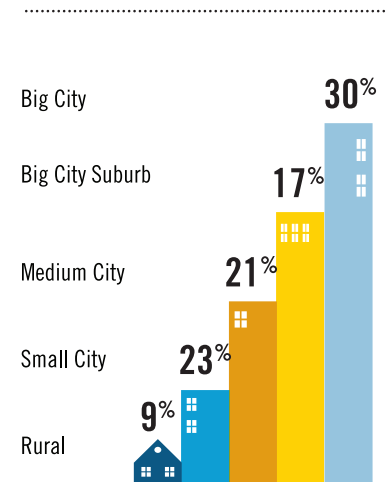


Figure 6. **Where do you live?**



SUMMARY



THE LGBT FINANCIAL EXPERIENCE

A Community Not on the Edges

Overall, we found the LGBT community solidly in the middle in their financial attitudes and actions. Attitudes toward investing, savings, home ownership and debt are more moderate compared to Prudential general population research. LGBT Americans earn a Prudential LGBT Financial Confidence Index score of 48 out of 100, right in the middle. While individual LGBT income falls across the economic spectrum, as a whole, the LGBT community is largely in the middle class.

The L, G, B and T Have Different Needs

The LGBT community is made up of groups who share common struggles yet retain distinct traits, outlooks and characteristics. For example, lesbian couples are far more likely to have children than gay men. The bisexual community is comprised of both opposite-sex and same-sex couples, while transgender people often face increased economic discrimination compared to the rest of the community. Based on this diversity, financial companies cannot assume they can apply the same outreach and strategies to serve the financial needs of lesbians, gay men, bisexuals and transgender people.

Lesbian Financial Power

While the media typically focuses on the buying power of gay male couples, the study indicates that lesbians are also a significant economic force. Lesbians have a higher median individual income than women in the general population, and their overall household income is on par with gay men because the majority live in a dual-income household.

Equality Trumps Economy

The LGBT community is far more concerned about issues related to legislation affecting LGBT financial rights and the lack of Social Security survivors benefits for same-sex couples than they are about the national debt and inflation. Equality policy trumps economic policy.

Financial Independence

Same-sex couples value financial independence far more than the general population, often keeping separate accounts and financial plans. The financial services industry needs to understand and appreciate this important difference.



More LGBT Parents and Elders

Over the next decade, the demographics of the LGBT community will change dramatically, affecting its financial health and needs. The number of lesbian, gay, bisexual and transgender parents has been growing steadily over the past decade and is expected to increase significantly with Generation Y. At the same time, Baby Boomers are and will continue to enter retirement in record numbers, which will focus the community on caring for the financial, health and housing needs of LGBT elders.

The Retirement Confidence Gap

Retirement is the top financial concern in the LGBT community. Like most Americans, the LGBT community has a significant confidence gap in whether they will have enough money to last a lifetime. Retirement planning will be among the major financial issues facing the community over the next decade.

Optimistic About Their Future

Despite retirement concerns, the LGBT community is more confident about the future than the present, especially as it relates to making strides toward LGBT equality and their own household finances.

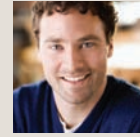
Financial Industry Needs to Improve

Despite some outreach by the financial services industry to the LGBT community, study participants rank the industry's attention to their financial needs low. In write-in questions, many participants state that financial institutions do not have the expertise to address the complex financial concerns of same-sex couples and LGBT parents.

LGBTs Need Financial Planning Assistance

The study shows that LGBT Americans are less confident in financial planning than the general population. Their finances as well as tax, retirement and estate planning remain complicated because of the intricacy of tax and family laws affecting LGBT couples and parents. Many indicate that they need help with financial and estate planning. Those who receive financial planning assistance from a qualified professional feel more confident about their finances.

PRUDENTIAL LGBT FINANCIAL CONFIDENCE INDEX

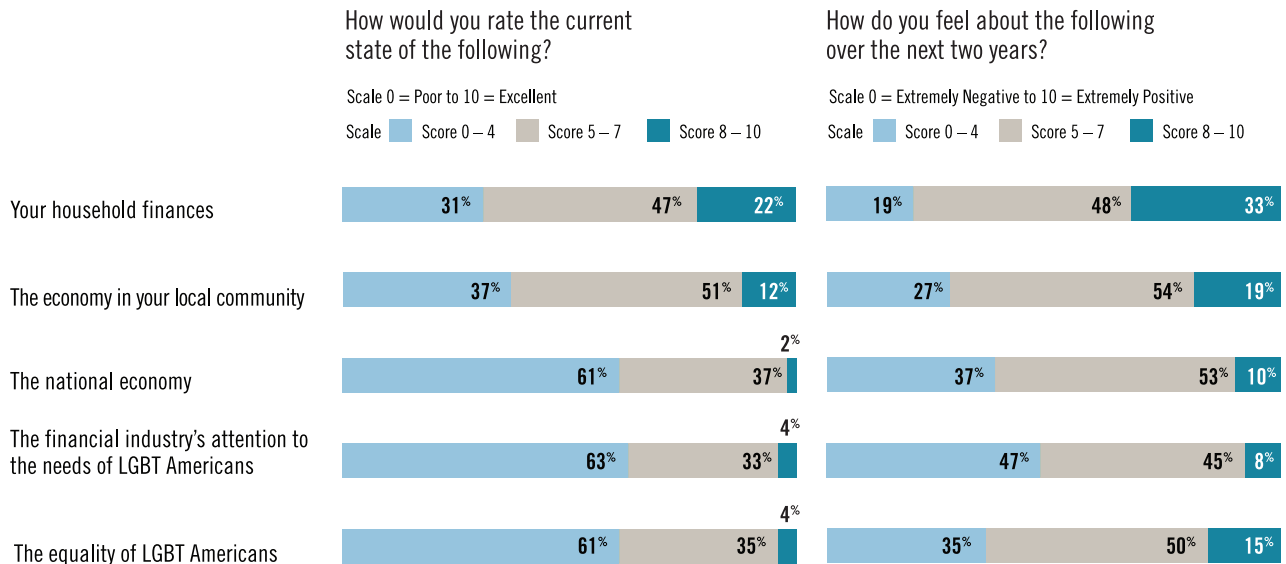


The Prudential LGBT Financial Confidence Index establishes a baseline of the LGBT community’s financial confidence that can be tracked over time. Survey participants answered 10 questions about their current financial status and future prospects. Each question has a score of 0–10 for a total potential score of 100.

Highlights

- The Prudential LGBT Financial Confidence Index shows mid-range financial confidence, with gay men more confident than lesbians, Gen Ys more confident than Baby Boomers, those living in big city metro areas more confident than those living in rural America and those working with financial professionals more confident than those who are not.
- The LGBT community is most confident about their household finances, followed by their local economy. They are less confident about current LGBT equality and the state of the national economy. Notably, the community is least confident about the financial industry’s attention to LGBT Americans.
- Compared with the general population, the LGBT community feels less prepared to make wise financial decisions for a variety of unique legal, economic and social reasons.

Figure 7. Prudential LGBT Financial Confidence Index



Confidence Index Year One Results

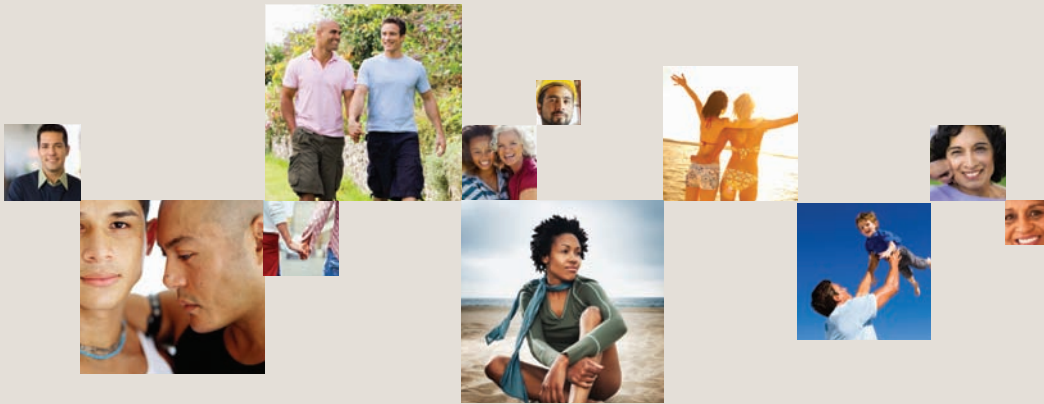
The baseline Prudential LGBT Financial Confidence Index indicates that the LGBT community has a mid-range financial confidence score of 48 out of 100 (Figure 8). Certain groups within the community score higher on the confidence index than others: Gay men are statistically more confident than lesbians (51 vs. 45), Gen Ys are more confident than

Baby Boomers (50 vs. 46), those living in big city metro areas are more confident than those living in rural America (50 vs. 44) and those working with financial professionals are more confident than those who are not (50 vs. 46). LGBT residents of states with same-sex marriage are more confident than LGBTs living in states with civil union, domestic partnership or no legal relationship status (51 vs. 47).

Figure 8. Confidence Score for Select Demographics

The Prudential LGBT Financial Confidence Index score is calculated by adding the average response from 10 separate questions (see Figure 7 for questions). The 10 questions each have a potential score of 10 points for a maximum score of 100. The overall LGBT score of 48 indicates the community is mid-range in their confidence. Some segments of the community scored higher than the overall LGBT confidence score, while others scored lower.





We found major differences in how the community ranked the response categories within the Index. The LGBT community is most confident about themselves and their household finances, followed by their local economy (now and over the next two years). They are less confident about current LGBT equality and the state of the national economy. Notably, the community is least confident about the financial industry's attention to LGBT Americans.

The LGBT community is optimistic about their future, ranking all categories significantly higher when asked to project two years from now.

Need for More Financial Education

Compared with the general population, LGBT Americans are far less confident about their financial preparedness, with only 14% indicating they are well prepared, compared with 29% of the general population (Figure 10). LGBT community members using a financial professional have significantly higher confidence with 66% feeling either well prepared or needing help in only a few selected areas, compared to 49% of those without a financial professional.

Unique Financial Concerns

To further understand the concerns affecting participants' ability to achieve their financial goals, we asked them about 12 economic issues, some general and some LGBT-specific. LGBT Americans are much more concerned about economic equality issues than they are about the general state of the economy. About two-thirds rate the following issues as top financial concerns (Figure 9):

1. Lack of Social Security or pension survivor benefits for same-sex couples.
2. Legislation that negatively affects LGBT financial rights.
3. Tax treatment of same-sex couples.

In contrast, they are less worried about issues such as recession, inflation and the national deficit.

“I am now, for the first time, working on building a life that includes financial considerations with my wife. We were able to file our taxes together, and I have more faith that our joint accounts are more secure for each of us.”

– Lesbian, 51, New York

“Until we achieve total financial equity in taxes, employment, etc., we need advisors who can help create air-tight financial plans for our families.”

– Gay man, 26, Vermont

Figure 9. **How concerned are you about the following issues affecting your ability to achieve your financial goals?**

Scale 0 = Not at all concerned to 10 = Extremely concerned
Percentage rating very concerned (8 to 10)

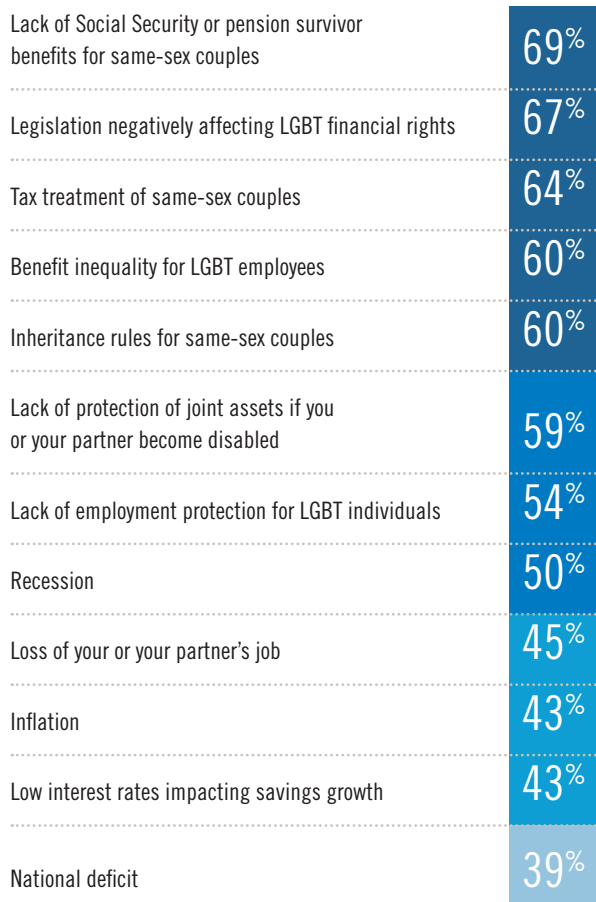
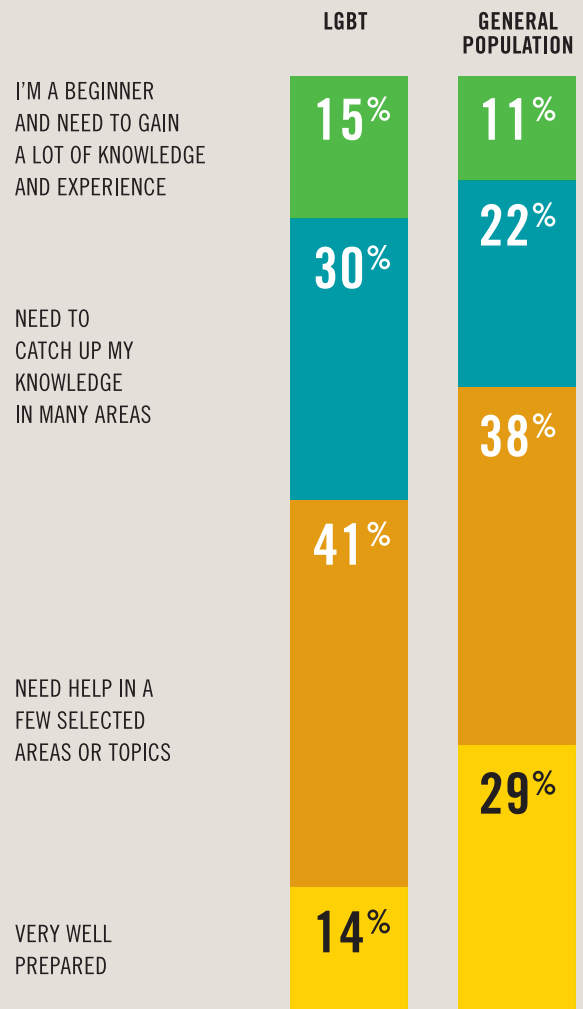


Figure 10. **Need for More Financial Education**



LGBT FAMILY, MARRIAGE AND COUPLE COMMUNICATION



Highlights

- Lesbians are far more likely than gay men to live in a dual-income household.
- Within the LGBT community, 15% are already parents, and the number of LGBT parents is projected to dramatically increase as the majority of Gen Y plan to have children.
- Gay male couples are especially likely to have open communication about finances, but maintain separate accounts to retain financial independence.

Same-Sex Couples and Financial Rights

Financial planning for LGBT couples and parents can be complex, requiring the need to maneuver through widely varying state laws that govern relationship status and adoption. Just over one-third (34%) of study participants live together with no legal protections, and another 17% are in a legally recognized relationship: married, civil union or domestic partnership, all with different rights and responsibilities affecting their household finances (Figure 11). Lesbians are far more likely to live with a partner in a dual-income household than gay men (62% vs. 40%). However, gay men are more likely than lesbians to have been together with their partner for more than 10 years (50% vs. 38% of those living with their partner).

We found in the responses that it is difficult to make assumptions about relationships when navigating the LGBT financial landscape. Bisexuals might be in an opposite-sex or same-sex relationship. Some transgender people consider themselves to be both part of the LGBT community and heterosexual. Some same-sex couples are legally married, yet live in a state that does not recognize the relationship. Financial institutions and advisors need to understand their clients' unique relationships and legal status.

Open Communication, Separate Accounts

Across the LGBT community, many same-sex couples desire to maintain financial independence while in the relationship, a striking difference compared to the general population. While same-sex couples tend to have equal and open communication about financial concerns (at similar levels to general population couples), they often maintain separate financial accounts. Three-quarters (75%) of same-sex couples indicate keeping some separate accounts and 44% of gay male couples maintain completely separate accounts (Figure 12). The majority of gay men (60%) and half of lesbians (50%) living with their partner say they keep separate accounts mainly to retain financial independence, followed by simpler tax preparation (32% for LGBT) and different viewpoints on money and credit (24% for LGBT).

“Do what is right for the individual. The financial industry needs to understand that they work for the individual investor no matter how they identify.”

— Transgender person, 50, Nebraska

“Right now, we’re planning to have a child, so our financial goal is to save up a ‘nest egg’ to help ease the financial burden of getting pregnant, hospital costs, second-parent adoption and other costs associated with having a child.”

– Lesbian, 36, Pennsylvania

LGBT Parents Have Added Expenses

The number of LGBT parents continues to grow and is expected to increase significantly starting with Gen Y. Already 23% of lesbians and 7% of gay men are financially responsible for a child under age 18 (Figure 13). Among Gen Y study participants, 11% already have children and an additional 49% plan to have children in the future.

LGBT parents report being financially secure. However, they also report needing to spend significant household income on legal and financial protections for their families because of the lack of legal protections in most states. LGBT parents have a low Prudential LGBT Financial Confidence Index score (44), expressing their largest concerns about the equality of LGBT Americans and the financial industry’s attention to their needs.

Singled Out

Almost half of the LGBT study participants are single with different financial needs. LGBT singles are more likely to be younger and earn less income because of their age; 24% live with roommates. While they have less disposable income than those in relationships, they are much more likely than older LGBTs to spend on entertainment, fitness and personal care items. Many LGBT parents are single with 24% of the children in LGBT families being raised by single parents, parallel to the general population.

Caring for Parents

Nearly 1 in 10 LGBT participants report financially caring for a parent or other elder, with 4% having elders living in their home. Care for an elder is spread equally across generations with approximately 10% of Gen X, Gen Y and Baby Boomer participants. However, we did find significant differences by ethnicity, with greater numbers of Asian American (21%), Hispanic (18%) and African-American (15%) participants caring for an elder.

Figure 11. Relationship Status

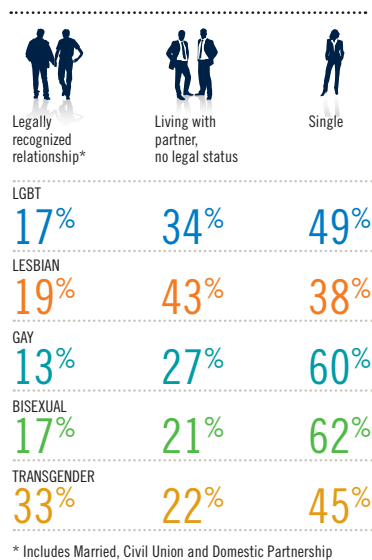


Figure 12. How do you and your spouse/partner organize your finances?

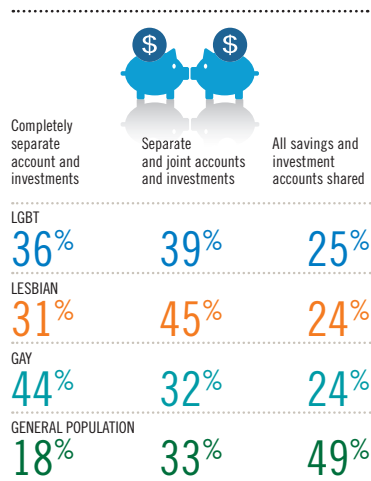
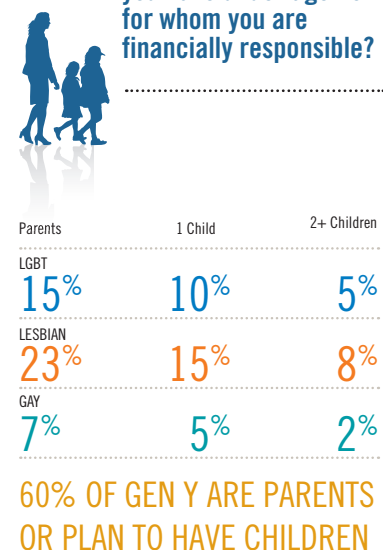


Figure 13. How many children do you have under age 18 for whom you are financially responsible?



THE LGBT COMMUNITY IS IN GOOD FINANCIAL HEALTH



Highlights

- The LGBT community has a higher median income compared to the general population, likely a result of education levels and a tendency to live in states with higher median income.
- While gay men earn higher individual incomes than lesbians, lesbians have higher median household incomes as they are far more likely to live in a dual-income household.
- The LGBT community has high discretionary income, with 40% of gay men and 25% of lesbians spending more than \$500 a month on discretionary items.

Spending Power of the LGBT Community

What is the spending power of the LGBT community? The reality is much more nuanced than typically reported in the media.

The median household income of study participants is \$61,500 compared with \$50,000 for the average American household. This difference reflects several factors, most notably education levels (50% indicate attaining at least a bachelor's degree) and where the LGBT community chooses to live (tending toward "LGBT-friendly" states with higher median incomes).

Individually, gay men earn more money than lesbians (\$49,900 vs. \$43,500 median income) – not surprising in a country where men earn more on average than women. However, the income gap between gay men and lesbians is smaller than the gender income gap in the general population. Among those employed full-time, lesbians earn 84% of what gay men earn, compared to the 77% female to male ratio among the total population.

While gay men earn more than lesbians individually, household income is another story. Lesbian household income is actually higher than gay household income (\$63,700 vs. \$62,300) because lesbians are far more likely to live in a dual-income household than gay men.

LGBT households with financial responsibility for a child report a median income of \$71,100.

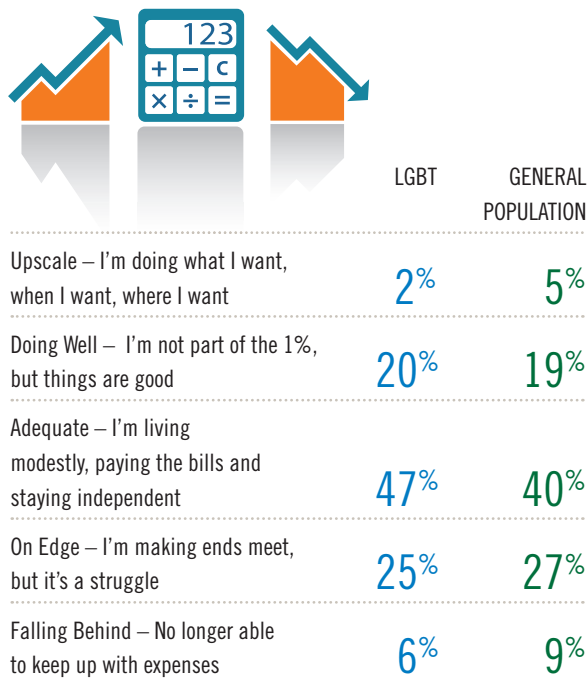
Gay male couples have the highest median household income (\$103,100), but they are a minority of LGBT households (only 19% of participants). While many companies focus on the spending power of gay male couples, they actually make up a minority of the overall LGBT community.

General population income data from 2011 United States Census Bureau reports.

“LGBT is a bit of a unique minority in that we encompass the entire spectrum of humanity, yet a good number of us are college educated with decent discretionary income. LGBT needs to be wooed. We have money to spend.”

– Gay man, 35, Tennessee

Figure 14. **In general, how would you describe your current financial situation?**



A Pulse on Financial Health

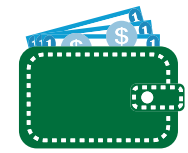
The majority of LGBT participants are upbeat about their financial health. Twenty-two percent indicate they are “upscale or doing well,” and 47% indicate they are “paying their bills and staying independent.” In contrast, 31% say they are “on the edge or falling behind.” These percentages are similar to those of the general population, according to a study conducted by Prudential earlier in 2012 (Figure 14). Although the community sees itself as more mid-scale, 4-in-10 households have income above \$75,000 and 3-in-10 have investable assets of more than \$100,000, both traditional definitions of a more “mass-affluent” community.

Significant Discretionary Income

Because the LGBT community is comprised of many dual income households without children, they have a substantial amount of discretionary income. About 40% of gay men and 25% of lesbians spend more than \$500 a month on discretionary items, and 5% of the LGBT community spends \$2,000 per month or more. The leading items for discretionary spending are dining out, entertainment and travel (Figure 15).

Figure 15. **Discretionary income**

Top items for discretionary income spending



	GAY	LESBIAN
Dining out	75%	71%
Entertainment	67%	62%
Travel / vacation	52%	53%
Personal care items	46%	43%
Pet care items	33%	54%
Donating to charities	34%	36%
Clothing	38%	27%
Fitness	37%	26%
Home decoration or improvement	34%	30%
Children’s items	4%	18%

Home Ownership, Savings and Debt

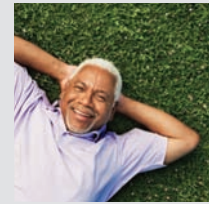
LGBTs owning a home have a median home equity of \$77,000. LGBT median household savings is \$28,000 (not including employer-sponsored retirement plans), and median household debt is \$14,000 (not including home mortgages or home equity loans).

Relatively Low Unemployment

Seven percent of LGBT participants define themselves as “unemployed and looking for work.” There is no significant difference in unemployment rates by generation; however, lesbians have the lowest unemployment rate at 5%, and transgender people have the highest at 12%.



RETIREMENT IN THE LGBT COMMUNITY



Highlights

- Not outliving their money and maintaining lifestyle in retirement are the most pressing financial concerns of the LGBT community.
- The largest concentration of wealth and retirement preparedness is within the Baby Boomer generation; however, LGBT Baby Boomers face a unique set of financial obstacles.
- While most LGBT Baby Boomers are financially secure, about one-third describe their financial situation as “on the edge” or “falling behind.”

A Gap in LGBT Retirement Confidence

Concerns around retirement are top of mind in the LGBT community. Not outliving their money and maintaining lifestyle in retirement are not only some of the most pressing financial concerns, but they are also areas with the largest LGBT financial confidence gaps (Figure 16). Related issues such as lack of Social Security benefits for same-sex survivors only add to retirement concerns. As a write-in question, we asked participants to name their most important financial goal. “Retirement” was the most frequently mentioned word. With this significant personal focus on retirement, it is not surprising that we found that 78% of all LGBT participants are already saving for retirement.

Baby Boomers’ Unique Retirement Challenges

Among LGBT study participants, Baby Boomers are the generation most concerned about retirement. Many have been hard-hit by the recession, losing assets in the stock market and real estate close to their retirement age. In written responses, many report losing jobs and finding it hard to recover employment at the previous level. While these recession concerns are not unique to the LGBT community, many LGBT Baby Boomers indicated other challenges specific to being an LGBT person of that generation. For example, some discussed facing a lifetime of employment

discrimination that has suppressed their savings potential. Especially among gay men of this generation, the HIV epidemic has left many survivors taking early retirement through disability, leaving them economically challenged for the rest of their lives. Currently, 23% of LGBT Baby Boomers report being retired, or living on income from disability or Social Security.

Despite Challenges, Baby Boomers Are Well Positioned for Retirement

Regardless of their unique challenges, the Baby Boomer generation has the greatest concentration of wealth in the LGBT community with a median household income of \$70,000. More than half (53%) of Baby Boomers report living with a partner, and of those with partners, 56% have been with their partner for 10 years or more and 7% for 30 years or more. Few (8%) are financially responsible for a child, leaving them with added discretionary income. Boomer couples are much more likely to have joint bank accounts, and 71% share the responsibilities of financial planning. About 70% own their homes, and 52% of homeowners have more than \$100,000 in home equity. Boomers indicate they are better prepared to make financial decisions than other generations, with 65% saying they are “very well prepared” or “only need help in a few selected topics.” Fifty-seven percent work with some type of financial professional.

While most LGBT Baby Boomers are doing financially well, there are some struggling to make ends meet. Just under a third describe their financial situation as “on the edge” or “falling behind.”

A Boomer Trend Toward Self-Employment

It should also be noted that 14% of LGBT Baby Boomers report being self-employed or small business owners with unique financial needs, compared to 9% of Gen X and 5% of Gen Y.

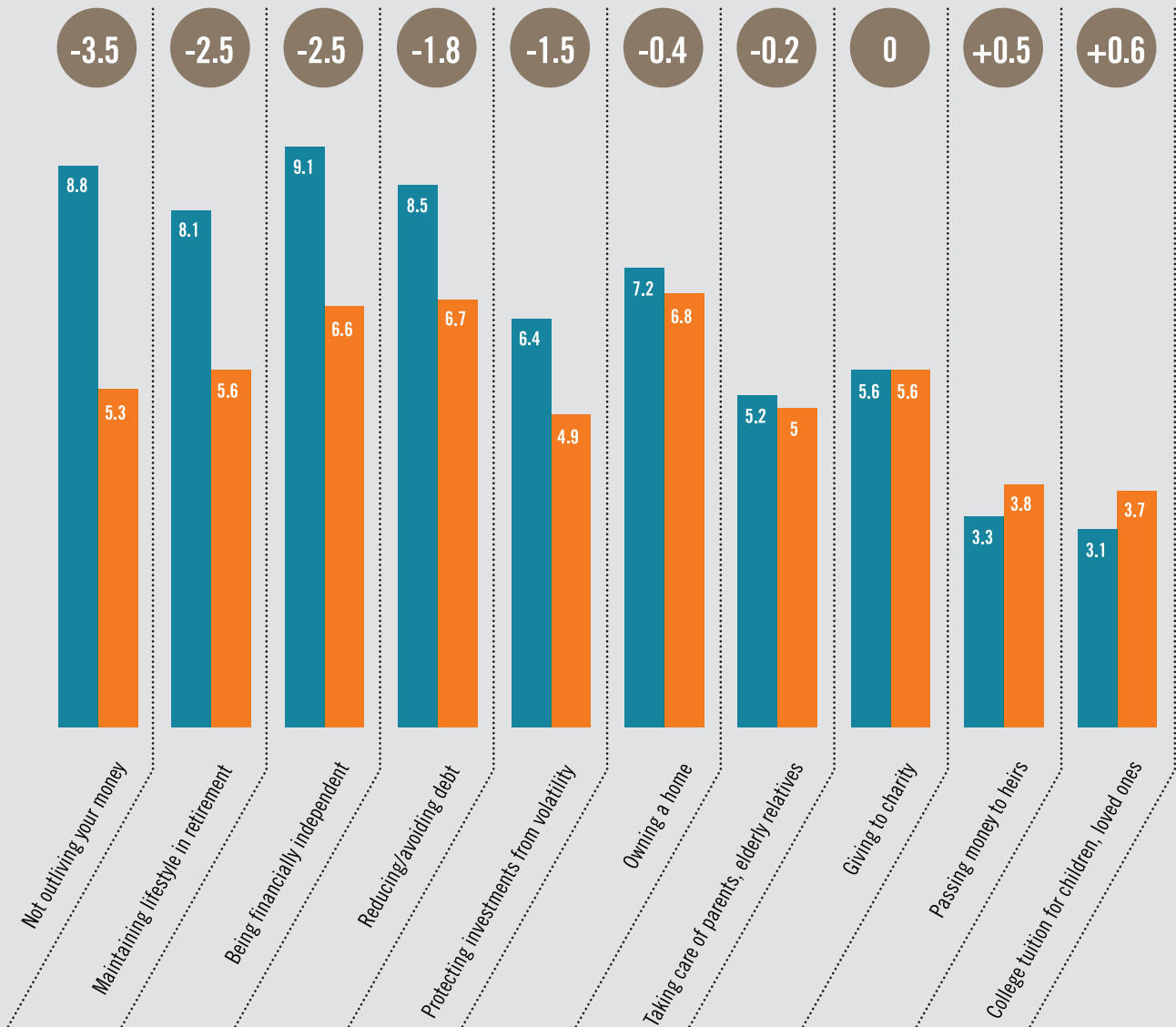
“I have a financial planner who is excellent, and my challenge is to create more wealth and have peace of mind in retirement.”

– Lesbian, 63, California

Figure 16. Confidence Gap: Importance of goals vs. Confidence about achieving goal

Importance Scale 0 = Not at all important to 10 = Extremely important vs. Confidence Scale 0 = Not at all confident to 10 = Extremely confident

■ Mean Important Score ■ Mean Confidence Score ● Confidence Gap



PRODUCT OWNERSHIP AMONG LGBT AMERICANS



Highlights

- LGBT people tend to maintain three core financial products – life insurance, an employer-sponsored retirement account and a savings account – adding others as they age, become parents or establish long-term partnerships.
- Within the LGBT community, same-sex couples in a legally recognized relationship and parents have the highest ownership of financial and estate planning products.
- More than half of LGBT Americans own a life insurance policy. Unlike the general population, where women are less likely to have life insurance, lesbians own life insurance equally to gay men.

Increased Need for Financial and Estate Planning Products

Within the LGBT community, same-sex couples in a legally recognized relationship and parents have the highest ownership of financial and estate planning products (Figure 17). In contrast, single LGBTs are least likely to own these products.

LGBTs own an average of four types of financial and insurance products. Product ownership increases with age and with each successive generation.

- Gen Ys begin with a core set of three products: a savings account, an employer-sponsored retirement plan and a life

insurance policy. Older generations maintain these three core products while adding others.

- Gen Xs are significantly more likely than their Gen Y counterparts to add mutual funds and stocks held outside of retirement accounts, additional insurance products and estate planning products to their portfolio. Ownership of disability insurance and long-term care insurance is highest among Gen X.
- Boomers are significantly more likely to have products that can help produce retirement income streams, such as annuities and IRAs. Ownership of investment products is highest across the board among Boomers.

While LGBT Baby Boomers are significantly more prepared than younger generations for the legal complexities they face in estate and inheritance planning, many still do not have key documents in place.

Life Insurance Is a Core Product

More than half (52%) of LGBT Americans own a life insurance policy. Like the general population, ownership is higher among those who own a home, have a partner, have children, work with a financial professional or have at least \$75,000 in annual income (Figure 18). However, unlike the general population, where women are less likely to have life insurance, lesbians own life insurance equally to gay men.

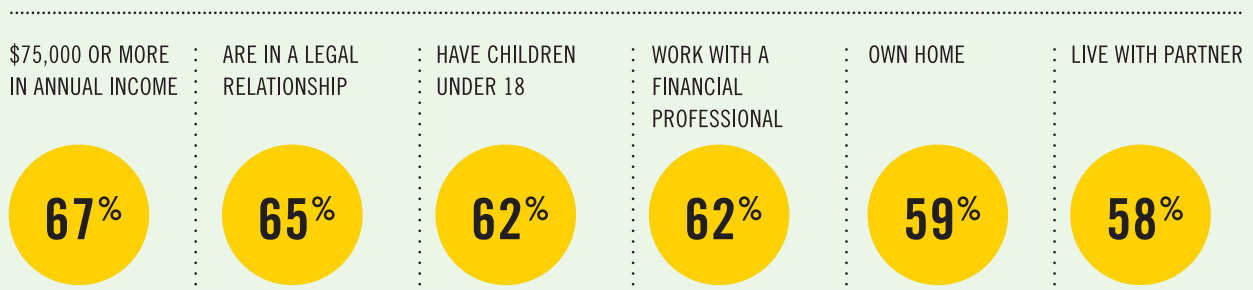
“We have had to spend a large amount of money protecting our parental rights, and on intensive wills and agreements to protect spousal rights.”

– Lesbian, 35, Wisconsin

Figure 17. Which of the following financial, insurance and estate planning products do you have?

	GEN Y	GEN X	BOOMERS	LGBT PARENTS	LEGALLY RECOGNIZED COUPLES
Retirement					
Employer-sponsored retirement plan	49%	59%	49%	59%	58%
Employer-sponsored pension plan	13%	21%	28%	26%	29%
IRA	23%	30%	39%	34%	38%
Savings					
Savings accounts	51%	53%	57%	56%	65%
Individual bonds	7%	6%	12%	9%	14%
Individual stocks	10%	17%	23%	15%	28%
Mutual funds	9%	16%	27%	16%	32%
529 Education savings plan	2%	4%	3%	12%	4%
Insurance					
Life insurance	49%	53%	51%	62%	65%
Annuity	3%	4%	13%	7%	10%
Long-term care insurance	11%	19%	16%	19%	24%
Disability	20%	34%	21%	31%	33%
Estate Planning					
Will	15%	30%	52%	48%	52%
Trust	3%	9%	15%	16%	19%
Healthcare proxy	14%	28%	51%	45%	58%
Power of attorney	14%	25%	42%	40%	53%
Average number of products	3	4	5	5	6

Figure 18. Most likely LGBT owners of life insurance



FINANCIAL SERVICES COMPANIES AND THE LGBT COMMUNITY

Highlights

- LGBTs perceive their financial planning needs to be different from those of the general population.
- The LGBT community feels underserved by financial services companies and the vast majority of LGBTs never had a financial professional contact them about LGBT financial planning.
- LGBTs do not require that financial professionals be part of the LGBT community, but they do need these professionals to have an understanding of their unique needs as LGBT individuals.

LGBTs View Their Financial Needs as Different

Only 25% of LGBT participants believe that their financial needs are similar to those of the population at large. Even fewer LGBT couples living together (21%) feel they share comparable needs (Figure 19).

Increased Relevance of Financial Professionals

More than one-third (38%) of the LGBT community and nearly half (49%) of LGBT couples in a legally recognized relationship work with some type of financial professional. Word of mouth is the top way they find a financial professional, with 45% relying on a referral from a friend, a family member or a co-worker. While LGBTs do not require that financial professionals be part of the LGBT community, they do need these professionals to have an understanding of their unique needs as LGBT individuals (Figure 21).

LGBTs feel underserved by financial services companies (Figure 20) and the vast majority of LGBTs (88%) have never had a financial professional contact them about LGBT financial planning. Even those with financial advisors needed to seek out the services of an LGBT-understanding professional.

Figure 19. **Opinion on how similar or different LGBT financial planning needs are vs. the general population**



Scale 0 = LGBT financial needs are extremely similar to the population at large to 10 = LGBT financial planning needs are extremely different than the population at large

	Similar to General Population (0-4)	Neutral (5)	Different than General Population (6-10)
LGBT	25%	14%	61%
SINGLE	29%	17%	54%
LIVING WITH PARTNER	21%	11%	68%

Figure 20. **What can financial services firms do better to meet the needs of LGBT individuals?**

Size of word corresponds to the number of times the word was mentioned in participant write-in responses.



“Provide tips and information that are not commonly known. Flashy advertising is nice, but I would prefer some substance over just seeing a firm march in a Pride parade.”

– Bisexual woman, 32, Washington

Choosing Financial Services Companies

LGBTs indicate that sensitivity to their needs is paramount in their selection of a financial services company. The top three factors (out of 14) they look for when choosing a financial services firm are the strength and reputation of the company (77%), LGBT-friendly hiring practices (63%) and professionals who specialize in LGBT finances (61%). In a separate question, more than 70% of participants report that they would much more likely choose a financial services firm that publicly supports LGBT causes, equal job rights for LGBT employees, marriage equality and LGBT employee benefit equality. Among transgender participants, more than 90% say they would choose a company if it supports transgender rights in the workplace.



Figure 21. **How important is it for a financial professional you work or would work with to...**

Scale 0 = Not at all important to 10 = Extremely important

	Percentage rating very important (8 to 10)
Understand the unique financial needs of LGBT individuals	75%
Work for a company that has demonstrated commitment to the LGBT community	55%
Support events/organizations within the LGBT community	40%
Have a large base of LGBT clients	34%
Advertise in LGBT media	29%
Personally identify as LGBT	23%

SERVING THE FINANCIAL NEEDS OF THE LGBT COMMUNITY

For financial services firms to succeed in working with lesbian, gay, bisexual and transgender clients, companies must understand and recognize LGBT specific financial and legal concerns as well as respect their unique life situations.

In particular, the study demonstrates that financial services companies need to make an increased effort to reach out to the community, gain expertise in laws affecting same-sex couples and LGBT parents, treat their own employees equally in the workplace and support LGBT non-profit organizations.

By understanding, anticipating and responding to the needs of the LGBT community, financial services firms have a significant opportunity to make an impact on their business as well as on the lives of this distinct yet diverse group of Americans.



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