

Economy & Affordability

A 2SLGBTQI Issues Brief for Federal Elections



Egale





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About Egale Canada

Egale is Canada's leading organization for 2SLGBTQI people and issues. We improve and save lives through research, education, awareness, and by advocating for human rights and equality in Canada and around the world.

Our work helps create societies and systems that reflect the universal truth that all persons are equal and none is other.

About this Document

Every electoral issue is a 2SLGBTQI issue. When heading to the polls, it is essential that 2SLGBTQI experiences are considered and understood. To bolster awareness on 2SLGBTQI issues and experiences ahead of the upcoming federal election, Egale Canada developed a series of briefs that each delve into how electoral issues affect 2SLGBTQI communities in diverse yet intersecting ways across the country. In mobilizing knowledge to support civic engagement, each brief aims to empower 2SLGBTQI communities and allies to step forward and *Vote with Pride*.

Key Takeaways: 2SLGBTQI Economic Impact

- There is a positive connection between legal rights for 2SLGBTQI people with growth in a country's per capita GDP. By including 2SLGBTQI individuals in a country's economy, 2SLGBTQI individuals have a higher likelihood of achieving their economic potential when there are fewer barriers to acquiring an education, training, and access to the labour market.¹
- Many barriers exist that limit 2SLGBTQI individuals from reaching their full potential, such as financial confidence, higher rates of mental health struggles, and discrimination in the workplace. Particularly for Two Spirit, trans, and nonbinary people (2STNB), they not only experience harassment and discrimination in the workplace but frequently leave their jobs out of safety concerns and experiences with psychological harm.²
- When 2SLGBTQI individuals are denied from fully participating in society due to their identity, this exclusion negatively impacts a country's economic development and prosperity.³

1 Badgett et al., "The relationship between LGBT inclusion and economic development."

2 Noah Rodomar et al., *Working for Change: Understanding the Employment Experiences of Two Spirit, Trans, and Nonbinary People in Canada* (2024), Egale Canada, online: <https://egale.ca/awareness/wfc/> at 2 [Rodomar et al., *Working for Change*].

3 Badett et al., "The relationship between LGBT inclusion and economic development."

Setting the Scene: Quick Data on 2SLGBTQI Economic Influence

- In Canada, there are over **100,000** 2SLGBTQI owned businesses, generating over **\$22 billion CAD** annually and employing **435,000** Canadians.⁴
- 2SLGBTQI consumers represent **4.4%** of Canada's \$3.7 billion CAD spending on consumer packaged goods.⁵
- Annual Pride festivals generate **millions of dollars** for local economies through 2SLGBTQI tourism. In most North American cities, Pride festivals brought in a **12%** positive shift in economic activity.⁶
- The 2SLGBTQI tourism market is valued at **\$12 billion CAD** globally, with Canada actively promoting itself as an inclusive destination.⁷
- During the height of the COVID-19 pandemic, Canada's 2SLGBTQI communities were disproportionately impacted financially. An [Egale study](#) found **53%** of 2SLGBTQI households were affected by lay-offs or reduced hours compared to **39%** overall Canadian households.⁸
- In Egale's [Second National Report on the COVID-19 Pandemic's Impact](#), **13%** more 2SLGBTQI respondents did not feel confident about their current financial situation compared to the national population.⁹
- Egale's [Queering Mental Health Supports in Canada](#) study found that **61.5%** of 2SLGBTQI individuals surveyed delayed their mental healthcare due to affordability.¹⁰

4 Canadian Gay & Lesbian Chamber of Commerce [CGLCC], *About us*, online: <https://cglcc.ca/about-us/> [CGLCC, *About us*].

5 Government of Canada, "Facts, stats and impact: 2SLGBTQI+ communities," online: <https://www.canada.ca/en/women-gender-equality/free-to-be-me/federal-action-2slgbtqi-communities/facts-stats.html>.

6 Lyft, "When Pride Comes to Town: The Economic Impact of Events" (2024), online: <https://www.lyft.com/blog/posts/pride-events-2024-top-us-cities-lyft>.

7 CGLCC, *Tourism*, online: <https://cglcc.ca/programs/tourism/>.

8 Rodomar et al., *Working for Change*, at 3.

9 *Second National Report: Impact of COVID-19 on Canada's LGBTQI2S Community* (Toronto: Egale Canada, 2020), online: <https://egale.ca/awareness/covid19-impact-report/>.

10 Kim Seida, *Queering Mental Health Supports in Canada: A Research Report* (Toronto: Egale Canada, 2023), online: <https://egale.ca/awareness/qmh/> at 20 [Seida, *Queering Mental Health Supports in Canada*].

The 2SLGBTQI Connection to the Economy and Affordability

Inclusion provides economic benefits for economies. When 2SLGBTQI individuals are denied from fully participating in society due to their identity, research has shown that this exclusion negatively affects a country's economic development and prosperity.¹¹ However, 2SLGBTQI individuals also benefit society when they are included in the economy through their buying power, workforce participation, and tourism.¹² This brief highlights how 2SLGBTQI individuals navigate the economy and affordability in Canada.

The following section offers an in-depth look at how the electoral issue of employment and affordability impacts 2SLGBTQI individuals. In particular, this brief discusses 2SLGBTQI individual's diverse experiences with economic contributions, tourism and pride events, and barriers to economic opportunities.



Economic Contributions

GDP: There is a positive connection between legal rights for 2SLGBTQI people with growth in a country's per capita GDP. For countries with more rights for 2SLGBTQI individuals, they have both higher per capita income as well as higher levels of well-being. Countries seeking to close the gap on 2SLGBTQI inequality would also experience a boost in GDP. For example, if the United States aimed to close its 2SLGBTQI gap in employment and labour productivity by 2050, the country would "expect an increase in GDP equal to 2.6% of the baseline GDP."¹³

11 M.V.L. Badgett, S. Nezhad, K. Waaldijk and Y. van der Meulen Rodgers, "The relationship between LGBT inclusion and economic development: An analysis of emerging economies" (2014) USAID, online: https://escholarship.org/content/qt3kn013kr/qt3kn013kr_noSplash_21fe988f2db9429b1125ef31c4fea498.pdf [Badgett et al., "The relationship between LGBT inclusion and economic development"].

12 Badgett et al., "The relationship between LGBT inclusion and economic development."

13 Organisation for Economic Co-operation and Development, *The economic case for greater LGBTI+ equality in the United States* (2024) OECD Publishing, Paris at 3, online: <https://doi.org/10.1787/5adfe3a5-en>.

Buying Power: 2SLGBTQI consumers represent 4.4% of Canada's \$3.7 billion CAD spending on consumer packaged goods.¹⁴ According to the OECD, globally, LGBT individuals spend on average 9% "more on consumer goods and services than their cisgender straight peers," meaning that 2SLGBTQI individuals are an important contributing demographic to the Canadian economy.¹⁵

Business Ownership and Entrepreneurship: In Canada, there are over 100,000 2SLGBTQI owned businesses, generating over \$22 billion CAD annually and employing 435,000 Canadians.¹⁶

Workforce Participation: 2SLGBTQI communities represent a large and skilled labour force, with high levels of education and participation in key sectors such as technology, healthcare, education, and creative industries. Including 2SLGBTQI individuals in a country's economy creates a higher likelihood of 2SLGBTQI individuals achieving their economic potential especially when there are fewer barriers to acquiring an education, training, and access to the labour market. Additionally, inclusive workplaces lead to higher productivity, innovation, and employee retention, benefiting the economy overall.^{17,18}

Giving Back: When 2SLGBTQI individuals financially succeed, public finances grow. When there is an increase in production and labour earnings, there is increased revenue generated through income and corporate tax. Conversely, when inequities decrease and more individuals are excelling in society, demand on public expenditure for social programs such as "unemployment benefits, active labour market policies, and social transfers" decrease.¹⁹

14 Government of Canada, "Facts, stats and impact."

15 Organisation for Economic Co-operation and Development, "The economic case for greater LGBTI+ equality in the United States" at 134.

16 Canadian Gay & Lesbian Chamber of Commerce [CGLCC], *About us*, online: <https://cglcc.ca/about-us/> [CGLCC, *About us*].

17 Badgett et al., "The relationship between LGBT inclusion and economic development."

18 For more information on 2SLGBTQI individual's experiences in the workplace, please see our Brief on Employment and Labour in Canada.

19 Organisation for Economic Co-operation and Development, (2024), *The economic case for greater LGBTI+ equality in the United States*, OECD Publishing, Paris, p. 134.



Tourism and Pride Events

Pride: Similar to other concerts and events that occur across the country, Pride festivals positively impact host cities and towns. Pride festivals such as Toronto Pride, Montreal Pride, and Vancouver Pride attract millions of visitors each year, generating millions of dollars in revenue for local economies. In most American cities where research has occurred, Pride festivals brought in a 12% positive shift in economic activity, with Canadian cities experiencing similar trends.²⁰

Tourism: Canada is a top destination for 2SLGBTQI travelers due to its progressive rights and inclusive policies. The 2SLGBTQI tourism market is valued at \$12 billion CAD globally, with Canada actively promoting itself as an inclusive destination.²¹ 2SLGBTQI travelers also outspend their cisgender and heterosexual counterparts “at 7x the average trip expense” – spending more when they travel and boosting local economies.²²



Barriers to Economic Opportunities

Despite growing inclusion of 2SLGBTQI individuals into all aspects of society, discrimination continues to limit opportunities across employment, health, and education.

Workplace Access: 2SLGBTQI individuals routinely have less access to the Canadian economy than their cisgender and heterosexual counterparts and are often overrepresented in low-wage and precarious employment.²³ This is in part due to workplace discrimination which heightens the rates of 2SLGBTQI individual’s unemployment or underemployment, resulting in missed productivity that was not utilized. Particularly for Two Spirit, trans, and nonbinary people (2STNB), they not only

20 Lyft, “When Pride Comes to Town.”

21 CGLCC, *Tourism*.

22 CGLCC, *Tourism*.

23 Rodomar et al., *Working for Change*, at 2.

experience harassment and discrimination in the workplace but frequently leave their jobs out of safety concerns and experiences with psychological harm.²⁴

Staying Away from the Workplace: Some individuals choose to stay unemployed while transitioning medically or socially or to allocate time to receiving mental health support. In not having medical assistance and support from their employers while transitioning, individuals must choose between contributing to the economy or receiving care.

COVID-19 Pandemic: The COVID-19 pandemic added additional barriers and concerns for 2SLGBTQI individuals attempting to maintain employment. 2SLGBTQI communities in Canada were disproportionately impacted financially by COVID-19, with 53% of 2SLGBTQI households affected by lay-offs or reduced hours because of the pandemic, compared to 39% overall Canadian households.²⁵

Financial Confidence: There is a disparity in 2SLGBTQI individuals' financial confidence levels compared to their cisgender or heterosexual counterparts. 13% more 2SLGBTQI respondents did not feel confident about their current financial situation compared to the national population.²⁶ Coupled with other barriers to employment listed above, the COVID-19 pandemic had, and continues to have, an outsized negative impact on 2SLGBTQI populations in Canada.

Physical and Mental Health: An individual's mental or physical health directly impacts their ability to attend work consistently, maintain high levels of productivity, and contribute to the economy. In part due to a discriminatory healthcare system and the lack of affordable mental healthcare, 2SLGBTQI individuals report "higher rates of mental health service utilization" and have "more unmet mental health needs" compared to their cisgender and heterosexual counterparts.²⁷ LBQ women, trans, nonbinary, and racialized 2SLGBTQI individuals particularly face higher rates of post-

24 Rodomar et al., *Working for Change*

25 Rodomar et al., *Working for Change*, at 3.

26 Egale Canada, *Impact of COVID-19 on Canada's LGBTQI2S Community: Second National Report* (2020), online: <https://egale.ca/awareness/covid19-impact-second-national-report/>.

27 Seida, *Queering Mental Health Supports in Canada*, at 5.

traumatic stress disorder, anxiety, mood disorders, substance use disorders, eating disorders, and suicidality.²⁸ As a result, due to the lack of compassionate employment opportunities and accessible healthcare, the economy is losing out on many 2SLGBTQI individuals' potential contributions and skillsets.²⁹

Affordability of Mental Healthcare: Many 2SLGBTQI individuals experience a lack of affordable and accessible mental healthcare. In an Egale study, 61.5% of respondents delayed their mental healthcare due to reasons around affordability.³⁰ Mental healthcare in Canada is not universal and has few financially accessible options available. To access mental healthcare, individuals become reliant on comprehensive health insurance provided through an employer or must pay out of pocket, a possibility that is accessible to very few.

Discrimination in Education: 2SLGBTQI young people face high levels of discrimination in schools. Discrimination discourages students from engaging in the education system and results in higher levels of dropouts of 2SLGBTQI students. As a result, economies are missing out on these individuals' "human capital" – meaning an individual's economic contribution to society. With higher discrimination in the education system, there will be higher rates of 2SLGBTQI individuals lacking the qualifications necessary to engage in higher paid workplaces and support the Canadian economy.³¹

28 Brittany Jakubiec, et al., *Healthcare access experiences and needs among LBQ women, trans, and nonbinary people in Canada: A research report* (2023), Egale Canada, online: <https://egale.ca/awareness/lbq-health/> at 54.

29 For more information on 2SLGBTQI communities' experiences in the healthcare sector, please see our 2SLGBTQI Issues Brief on Healthcare and Mental Health.

30 Seida, *Queering Mental Health Supports in Canada*, at 20.

31 For more information on 2SLGBTQI communities' experiences in the education system, please see our 2SLGBTQI Issues Brief on Youth.

Egale Canada's Economy and Affordability Related Research


- Noah Rodomar et al., *Working for Change: Understanding the Employment Experiences of Two Spirit, Trans, and Nonbinary People in Canada* (Toronto: Egale Canada, 2024), online: <https://egale.ca/awareness/wfc/>.
- *Second National Report: Impact of COVID-19 on Canada's LGBTQI2S Community* (Toronto: Egale Canada, 2020), online: <https://egale.ca/awareness/covid19-impact-report/>.
- Kim Seida, *Queering Mental Health Supports in Canada: Priorities for Research, Policy & Practice* (Toronto: Egale Canada, 2023), online: Egale <https://egale.ca/awareness/qmh/>.
- Andrea Sterling et al., *Housing Challenges, Barriers, and Realities Among 2SLGBTQI People in Canada: A Literature Review* (Toronto: Egale Canada, 2024), <https://egale.ca/awareness/housing-lit-review/>.
- Egale Canada, *Impact of COVID-19 on the LGBTQI2S Community: Second National Report* (Toronto: Egale Canada, 2020), online: <https://egale.ca/awareness/covid19-impact-report/>

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