

LGBTQ+ Business Climate Score

Iowa

56.33

out of a possible 100 points



Out Leadership's Business Climate Index for the 50 United States is an assessment of states' performance on LGBTQ+ inclusion. It measures the impact government policies and prevalent attitudes have on the LGBTQ+ people residing in each state, quantifying the economic imperatives for inclusion and the costs of discrimination. It equips business leaders and policy makers with a clear sense of the most impactful steps states can take to make themselves more hospitable to forward-thinking, innovative, inclusive businesses.

Color Coding



For more context around these scores, and to learn more about the criteria we used to assess how state laws, actions and attitudes toward LGBTQ+ people create business and talent risks, please visit www.outleadership.com/staterisk

Iowa



Legal & Nondiscrimination Protection

State law provides nondiscrimination protections for LGBTQ+ people based on sexual orientation and gender identity. Trans people can change gender markers on both birth certificates and driver's licenses, but it is an onerous process: people must amend their birth certificates before amending the driver's license, and they must show medical evidence that gender markers have been changed, by surgery or by some other means.



Youth & Family Support

Conversion therapy is legal in Iowa. There is no legislation preventing adoption agencies from denying prospective parents based on religious beliefs. State law still uses "husband and wife" in its language around adoption by married couples. LGBTQ+ youth are protected against discrimination and bullying at school.





Political & Religious Attitudes

Governor Kim Reynolds and Senator Joni Ernst are vocally anti-LGBTQ+ but often decline to challenge LGBTQ+ rights that they consider to be settled by the Supreme Court. Senator Chuck Grassley is vocally anti-LGBTQ+ in his policies and statements. There are currently no laws allowing for religious exemptions from civil rights law.

12/20



Health Access & Safety

Hate crime protections exist for sexual orientation but not for gender identity. There are no laws mandating coverage of transgender healthcare by private insurers nor for Medicaid. Intentionally transmitting HIV is a felony, and inadvertently doing so is a misdemeanor.

11/20



Work Environment & Employment

17% of transgender employees in Iowa report being harassed in the past year due to their gender identity, 25% report mistreatment such as being forced to use a restroom not matching gender. 22% of LGBTQ+ Iowans report food insecurity, double that of non-LGBTQ+s. LGBTQ+ unemployment (6%) is twice the rate of non-LGBTQ+ unemployment.

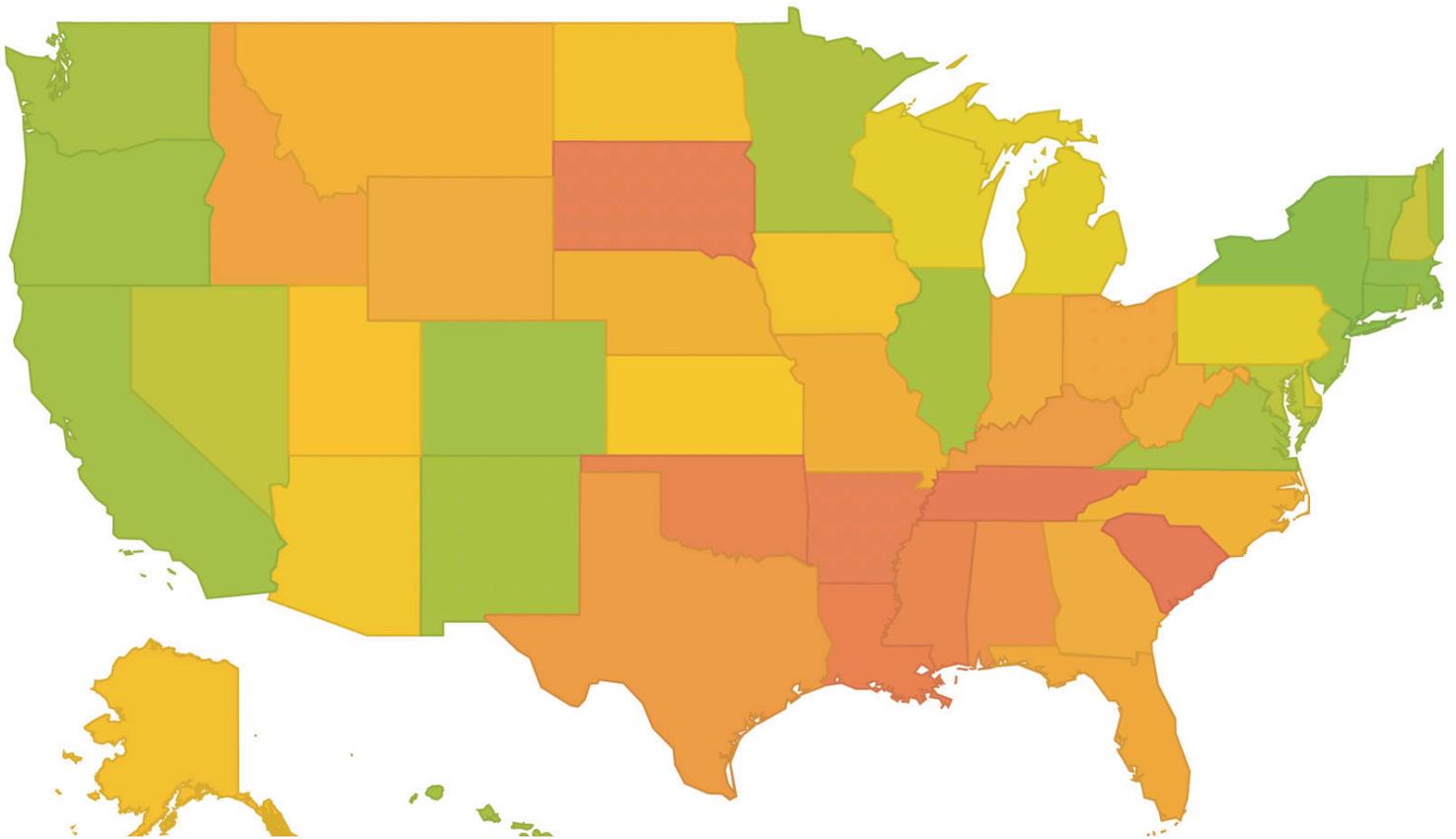
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A Note on Methodology

Download this report to learn how and why Out Leadership created the LGBTQ+ Business Climate Index for the 50 U.S. States, with important details about our methodology, including our data standards and practices. NOTE: *HIV criminalization laws are discriminatory and ineffective. These laws fail to account for advances made in treating and controlling HIV, may deter people from getting tested and seeking treatment, and can exacerbate the stigma targeting people living with HIV and LGBTQ+ people.

United States Heat Map

The legal and cultural situation for LGBTQ+ people varies widely across the country. This map, based on each state's total Business Climate Score, illustrates the states where LGBTQ+ people are empowered to participate more fully and openly in the economy, and the states that are lagging behind.





Iowa Talking Points

3.6% of Iowa residents identify as LGBTQ+. Conservatively, that's LGBTQ+ personal income of \$5.5 billion – it's a market my business can't afford to ignore.

Iowa's comprehensive nondiscrimination law protects LGBTQ+ people, so the state is already experiencing the positive economic impacts of such policies. One estimate suggests that the state's economy may have grown 3%, or \$5.5 billion, thanks to its inclusive approach. That said, there's still a gap between policy and culture.

Iowa has a favorable economic environment for business investment – but taking steps to make LGBTQ+ people feel safer and more included would better enable companies to attract top LGBTQ+ talent.

When LGBTQ+ employees don't feel welcome at work, they're less likely to stay, and employee turnover is a drag on the state economy and business competitiveness. It costs companies an average of \$8,946 to replace an employee in Iowa, and it can cost up to \$450,622 to replace senior executives. Iowa and the businesses operating there have strong incentives to create inclusive workplaces in the interest of keeping these costs down.

Millennial and Gen Z consumers prefer to do business with companies with LGBTQ+ friendly advertising and policies – 54% say they're more likely to choose an LGBTQ+ inclusive brand over a competitor – which is why it's important that Iowa create a business environment where being inclusive is supported.

Community leaders in Iowa should take steps to ease stigmatization of trans people – equality is good for everyone's bottom line.

Regional Context

The Midwest

Out Leadership and FCB partnered on original market research into the attitudes of American workers on LGBTQ+ inclusion, which fielded in 2019 and 2020. These briefs as a whole will be updated on an ongoing basis by Out Leadership because we recognize the ever-changing nature of policy on the local, state, and national level.

Only 50.8% of LGBTQ+ workers in the Midwest are out at work. They are only slightly more comfortable being open with their managers than other regions (14% more likely), but they are the least likely to cover their identity at work (17% less likely than nationwide). This could be due to the Midwest having the lowest rates for observing microaggressions (23% less likely) and hearing or engaging in negative conversations on average. However, workers in this region do not typically go out of their way to do business with inclusive companies (21% less likely than the nation as a whole). This is primarily driven by those who live in more rural areas where respondents were 85% less likely to do business with companies that are inclusive.

Unless otherwise noted, all comparisons for more or less likely are compared to the National results. Regional results are based off of 1,500 respondents (LGBTQ+ and Non-LGBTQ+ responses have been weighted to be age-representative for each audience in each region). National results are based off of 600 respondents representative of each audience (LGBTQ+ vs Non-LGBTQ+).

States in the Midwest region included: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, North Dakota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.

Current Legal Status of LGBTQ+ People in Iowa

Legal status of the Lesbian, Gay and Bisexual Community

Iowa law currently prohibits discrimination based on sexual orientation in employment, housing, public accommodations, education and certain economic activities.

Iowa law prohibits employers from discriminating on the basis of sexual orientation and gender identity. State employees receive the same protections, as the state of Iowa is explicitly included in the definition of "employer."

Discrimination based on sexual orientation or gender identity in hiring or advertising for any job is prohibited, as is wage discrimination. Exceptions exist for small-sized employers (with fewer than four employees), work performed in a home or for family lives, personal services for the employer's family and religious institutions.

There are no explicit restrictions against same-sex couple adoption, though the language around adoption by married couples in state law uses "husband" and "wife," implying the exclusion of same-sex couples. There has been no legislative or judicial action explicitly establishing the right of joint adoptions for LGBTQ+ couples. However, if challenged, some experts say the law would likely be overturned.

There is no law prohibiting agencies to decline prospective adoptive parents based on religious beliefs.

Married same-sex couples have the same rights as married heterosexual couples to have both parents listed on the birth certificates of their newborn children, as held by the Iowa Supreme Court in *Gartner v. Iowa Dep't of Pub. Health* (2013).

Conversion therapy is currently legal in Iowa, although there have been efforts on both the legislative and the professional level to effect changes. In 2020, a bill that would ban it was introduced in the state house but ended up tabled by committee, partly because some said the proposed protections weren't strong enough. A bill proposing to ban conversion therapy on LGBTQ+ minors was passed by the Iowa Senate in March 2015 but subsequently died without a vote in the House. And the Iowa Board of Medicine and the Iowa Board of Psychology have had opportunities

to consider petitions to ban state-licensed professionals from performing conversion therapy on minors, but have yet to adopt such policies. A group called Iowa Safe Schools is pushing to get the issue on the docket in the 2021 legislative session.

Legal Status of the Transgender Community

Iowa law currently prohibits discrimination based on gender identity in employment, housing, public accommodations, education and certain economic activities.

Individuals can change their gender markers on birth certificates. To do so, they must submit a notarized affidavit from a doctor and surgeon stating that the gender markers on file for the applicant have been changed by surgery or by other treatment. Neither a court appointment nor a name change is required.

Individuals can amend their gender markers on a driver's license by submitting a certified amended or new Iowa birth certificate showing the correct gender marker. Individuals can also amend their legal name on the driver's license. This requires a court-ordered name change, which does not require gender confirmation surgery.

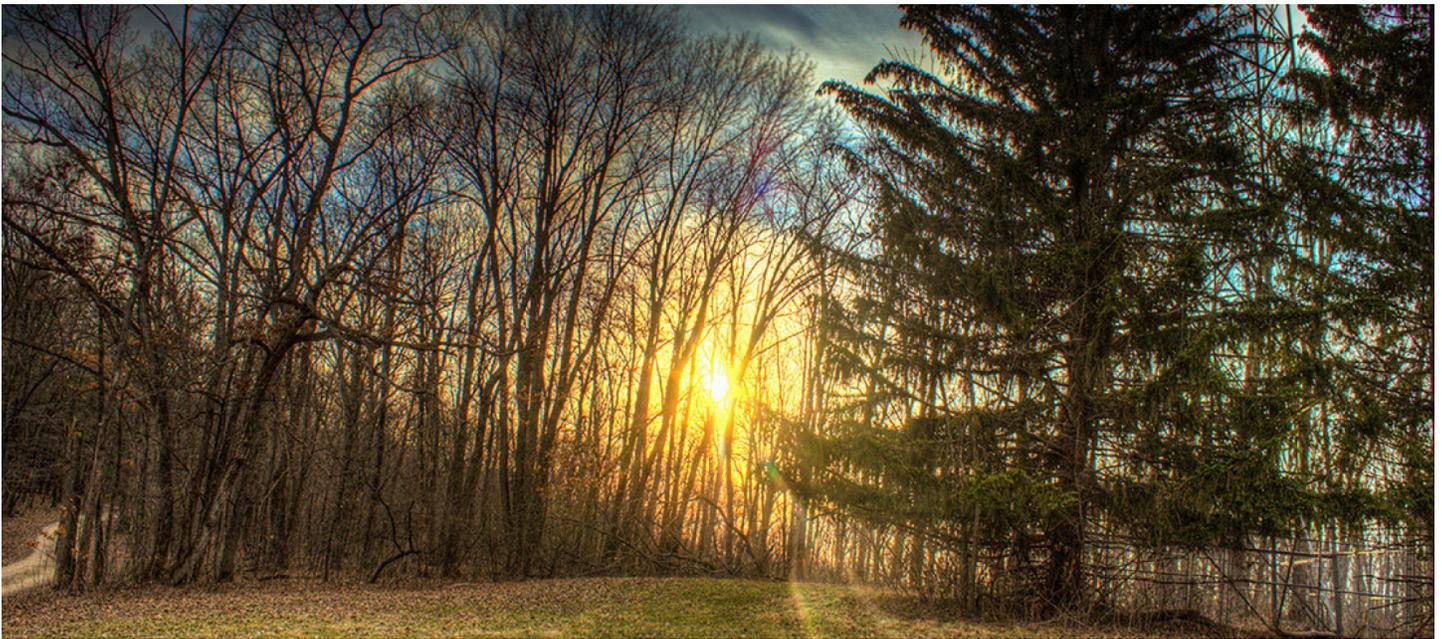
Iowa's penal code covers hate crimes committed on the basis of sexual orientation but *not* gender identity. A bill proposing to add gender identity to Iowa's hate crime law protection was initially approved in March 2016 by the Senate but subsequently died without a vote in the House.

Iowa does not prohibit private insurance providers or Medicaid from excluding transgender care from coverage.

Government Statements and Actions

A host of anti-LGBTQ bills were introduced in the 2021 state legislative session, including attempts to limit trans student participation in athletics, prevent them from using the bathroom that corresponds to their gender identity, and removing gender identity as a protected class from the Iowa Civil Rights Act.

Some, like a potential religious freedom law, failed to make it out of committee, but others, like a law that would require parental consent before teaching students about gender identity, were approved at that



level, but activists are worried at the increased volume of potential homophobic legislation.

Republican Gov. Kim Reynolds said publicly that she hoped to sign a trans student sports ban in 2021.

The state supreme court ruled in March 2019 that Medicaid must cover gender affirmation surgery. State lawmakers in the Republican-controlled house and senate responded by passing a bill banning use of public funds for gender surgeries. A subsequent challenge to the ban was thrown out on grounds that it wasn't ready for judicial review.

Governor Kim Reynolds characterizes same-sex marriage as "settled" after the *Obergefell v. Hodges* ruling and declined to support her party's platform opposing same-sex marriage at the Iowa state convention in 2018. When pressed to explain her stance, Reynolds said that people have traditional views on what they believe marriage consists of, and they have every right to have those views, but that the issue has been decided by the courts.

Senator Joni Ernst has a 0% rating from HRC, reflecting her voting record on LGBTQ+ issues. In 2018, Ernst (who is the first female combat veteran to be elected to the US Senate) publicly broke with former President Trump on his now-retracted trans gender military ban, saying "I have asked transgenders myself, if you are willing to lay down your life beside me, I would welcome you into our military."

Impact of LGBTQ+ Discrimination on Business Talent

1 NO RISK

2 LOW RISK

3 MODERATE RISK

4 NOTABLE RISK

5 HIGH RISK

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Brand Risk

4 NOTABLE RISK

Companies face notable brand risk when doing business in Iowa, where political leaders regularly take public stands against LGBTQ+ equality and the conversation is frequently hostile.

Client Risk

3 MODERATE RISK

There is moderate risk of LGBTQ+ or strong ally clients pulling their business from companies operating in Iowa due to the state's business climate and reputation.

Talent Risk

3 MODERATE RISK

Iowa's relatively comprehensive nondiscrimination protections would likely be an effective enticement to LGBTQ+ professionals considering working in the state, if statewide leaders worked to create a more welcoming dialogue.

Marketing Risk

3 MODERATE RISK

There's low risk to marketing to LGBTQ+ people in Iowa, although companies would do well to tightly target their messaging.

Future Risk

4 NOTABLE RISK

The state legislature recently moved to limit access to transgender healthcare in its state budget, and discriminatory bills are filed every session. There remains a notable risk of a future headline-making, negative event.



Socio-cultural Environment of LGBTQ+ People in Iowa

Status of LGBTQ+ Organizing and Community

A poll in 2018 showed that over half of LGBTQ+ Iowans weren't out to their healthcare providers.

Cultural Views of the LGBTQ+ Community

Steve King, who has a history of homophobic and white nationalist statements and who has been roundly criticized on a national scale for his views, was nonetheless re-elected by his district in 2018. However, he lost the GOP primary in 2020.





Partners

Our partnerships make our work possible. The first State LGBTQ+ Business Climate Index released in 2019 was funded by a grant from the Gill Foundation. The Index is based on data graciously shared by the Movement Advancement Project and the Williams Institute. Ropes & Gray is our pro bono legal partner for the CEO Business Briefs globally, and their research informs this Index. FCB partnered with us to conduct original market research into American attitudes toward LGBTQ+ workplace inclusion, informing the Regional Context section of the State CEO Briefs. America Competes supported the development of the scoring for the Risk Assessments, particularly for the Future Risk score.

