



LGBTQ+ Business Climate Score

Texas

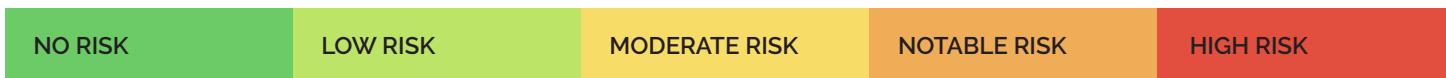
45.63

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

Texas



Legal & Nondiscrimination Protection

There are no statewide nondiscrimination protections for sexual orientation and gender identity in Texas, though some have been passed at the local level in several major cities. Gender markers can be changed on birth certificates and driver's licenses but only through court orders, and both require a doctor's note. Surgery is not required in either case.

9.50/20



Youth & Family Support

Conversion therapy is legal in Texas. The state is one of seven states that prohibit teaching about LGBTQ+ issues or history in the education system. Child welfare officials as well as state-funded adoption and foster care agencies are allowed to act in accordance with their religious beliefs to discriminate against LGBTQ+ people.

5.73/20



Political & Religious Attitudes

Texas state lawmakers are actively working to crack down on LGBTQ+ rights. The state already has a Religious Freedom Restoration Act in place. The governor of Texas and both senators have active anti-LGBTQ+ records.

7.40/20



Health Access & Safety

Texas Medicaid does not cover transgender healthcare, and the state does not ban the exclusion of transgender healthcare coverage by private insurers. While there are no laws criminalizing HIV status, prosecutions of HIV+ individuals have occurred under general criminal codes.

12/20



Work Environment & Employment

13% of transgender employees in Texas report being harassed in the past year due to their gender identity, and 29% report mistreatment such as being forced to use a restroom that does not match their gender. 27% of LGBTQ+ Texans report food insecurity, compared to 16% of non-LGBTQ+ Texans. LGBTQ+ unemployment (8%) is slightly higher than the general population (6%).

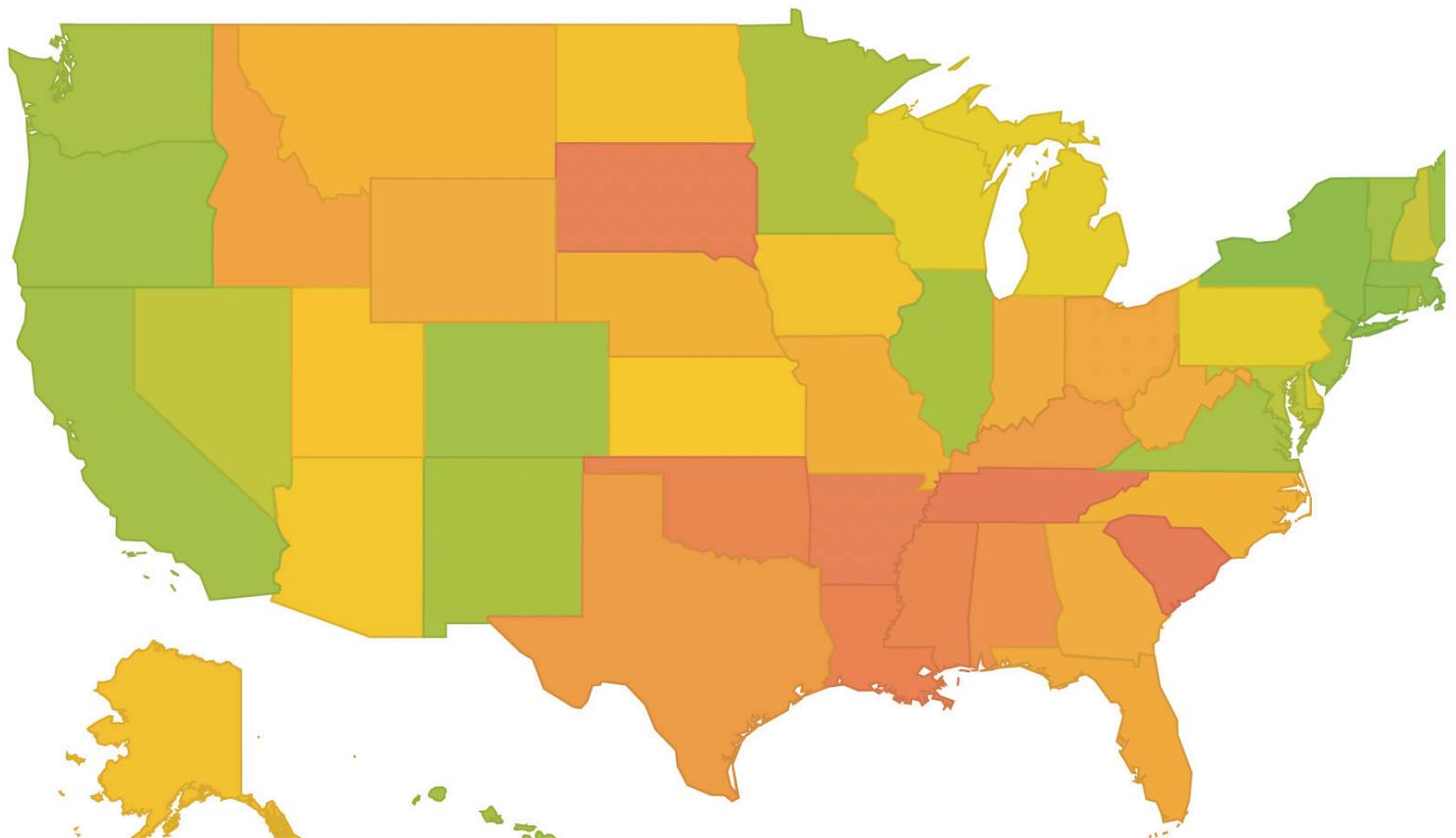
11/20

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.



NO RISK	LOW RISK	MODERATE RISK	NOTABLE RISK	HIGH RISK
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Texas Talking Points

4.1% of Texans identify as LGBTQ+. Conservatively, that's LGBTQ+ personal income of \$57.8 billion – it's a market my business can't afford to ignore.

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 \$9,740 to replace an employee in Texas, and it can cost up to \$510,500 to replace senior executives. Texas and the businesses operating there have strong incentives to create inclusive workplaces in the interest of keeping these costs down.

Nondiscrimination policies allow LGBTQ+ people to participate more fully in the economy.

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 Texas continue to foster a business environment where being inclusive is supported.

State political leaders should set a welcoming, not a stigmatizing tone

Texas has a regressive attitude towards trans-inclusive health coverage. Treating trans people as unequal makes us look complicit if we choose to do business in Texas – equality is good for everyone's bottom line.

Regional Context

The Southwest

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.

The Southwest region had the lowest percent of non-LGBTQ+ respondents being willing to self-identify as an ally (44%), but, surprisingly, had the highest percentage of respondents classifying as LGBTQ+ friendly (slightly over 90%). Over half of the of LGBTQ+workers in the Southwest are out at work (54.4%, second behind the Southeast region)and LGBTQ+ workers in this region are also 14% less likely to feel they need to engage in covering behaviors around their sexual orientation at work to be successful. However,state leadership in this region is not seen as inclusive, and workers were 36% more likely to say that their leadership speaks about LGBTQ+ in predominantly negative terms. This region was also 43% more likely to list "including visibly LGBTQ+ people in advertising and communications" as one of the top ways that business could demonstrate their support. However, the non-LGBTQ+ respondents in this region were the least likely to list public demonstrations of support as one of the top ways that businesses could express their commitment to the LGBTQ+ community. Particularly around marketing to LGBTQ+customers and public advocacy (77% and 50% less likely respectively).

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 Southwest region included: Arizona, New Mexico, Oklahoma, Texas.

Current Legal Status of LGBTQ+ People in Texas

Legal status of the Lesbian, Gay and Bisexual Community

Texas does not include sexual orientation or gender identity in its nondiscrimination laws. Some cities, such as Dallas and Austin, have passed local protections inclusive of SOGI.

State employees are protected from discrimination on the basis of sexual orientation and gender identity.

Youths in foster care are not protected from discrimination on the basis of sexual orientation or gender identity. They may even be at increased risk of discrimination because of a religious freedom law passed in 2017 that requires any governmental entity or person that contracts with the state of Texas to not take adverse action against a child welfare services provider on the basis that the provider has declined or will decline to provide services that conflict with their religious beliefs.

The state does permit agencies to decline prospective adoptive parents based on religious beliefs. Child welfare agencies are permitted to decline to assist LGBTQ+ parents.

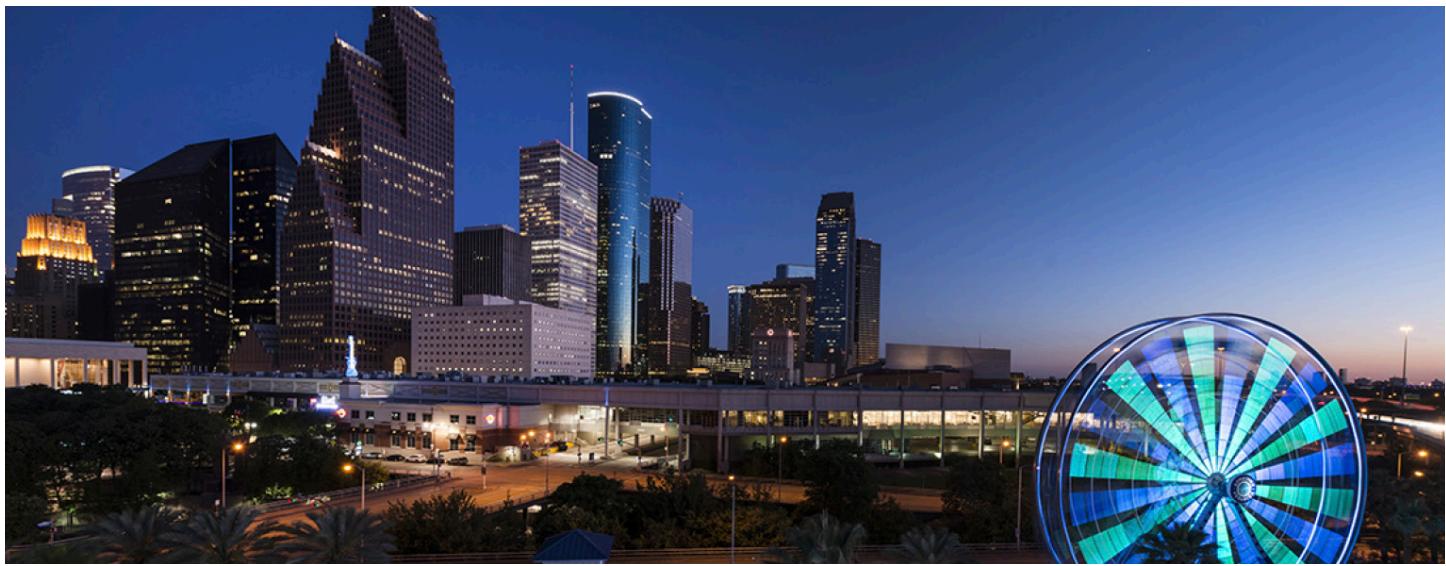
Both parents can be represented on a birth certificate.

Under the Texas Religious Freedom and Restoration Act, a government agency may not substantially burden a person's free exercise of religion unless it can show compelling governmental interest and is the least restrictive means of furthering that interest.

Texas does have hate crime protections inclusive of sexual orientation, but not gender identity.

Texas does not have any ordinances that protect people against conversion therapy.

Lt. Gov. Dan Patrick stated in April 2022 that he will prioritize a "Don't Say Gay Bill" that mimics the legislation of Florida.



Legal Status of the Transgender Community

Transgender individuals can amend gender markers on their birth certificate or driver's license by obtaining a court order, but the process is difficult for many. Both applications require a letter from either a physician or licensed therapist.

Insurance companies are permitted to exclude transgender care.

State hate crimes legislation is not inclusive of gender identity.

Government Statements and Actions

State lawmakers are trying to pass a bill in 2021 that would criminalize parents who act supportive of their trans children. The bill has passed in the state senate and is pending in the house.

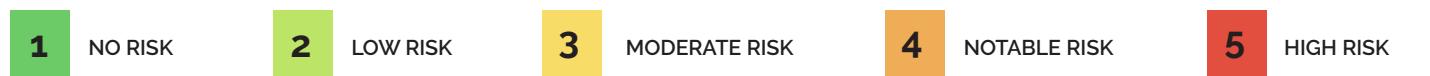
The state senate also approved bills that would ban trans students from playing on sports teams aligned with their gender identities and one that would ban gender-affirming healthcare for minors.

Openly LGBTQ State Rep. Celia Israel has introduced a bill to ban conversion therapy every session since she entered office, in 2015.

Equality Texas tracked 25 anti-LGBTQ bills in the 2021 legislative session and 16 pro-LGBTQ bills. A couple anti-LGBTQ bills passed the senate but so far none made it through the House.

In 2017, Gov. Abbott signed a bill that allows Texas child welfare providers to deny adoptions and other services to children and parents based on "sincerely held religious beliefs."

Impact of LGBTQ+ Discrimination on Business Talent



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Brand Risk	Client Risk	Talent Risk	Marketing Risk	Future Risk
5 HIGH RISK	5 HIGH RISK	5 HIGH RISK	5 HIGH RISK	4 HIGH RISK
Companies incur high risk to their brands by operating in Texas. There are no statewide LGBTQ+inclusive nondiscrimination protections, the state's governor and senators have negative voting records on LGBTQ+ issues, and state lawmakers are nationally known for opposing LGBTQ+ equality.	There is high risk of LGBTQ+ or strong ally clients pulling their business from companies operating in Texas in light of the state's business climate and reputation.	LGBTQ+ talent are highly likely to consider Texas's legal and social environment unfriendly. There is no statewide LGBTQ+ inclusive nondiscrimination law, and state lawmakers are vocally anti-LGBTQ+, both of which make working in Texas unattractive to LGBTQ+ professionals.	There is notable risk involved in marketing to the LGBTQ+community in Texas, where there is no statewide LGBTQ+ inclusive nondiscrimination law, sexual orientation and gender identity are not protected under state hate crimes legislation, no statewide restrictions exist on the practice of conversion therapy, teaching about LGBTQ+ issues or history in the education system is prohibited, and religious freedom laws are in place.	The state legislature remains skewed to an anti-LGBTQ+orientation, with many headline-making, discriminatory bills filed every legislative session. Risk of a future negative event remains high.

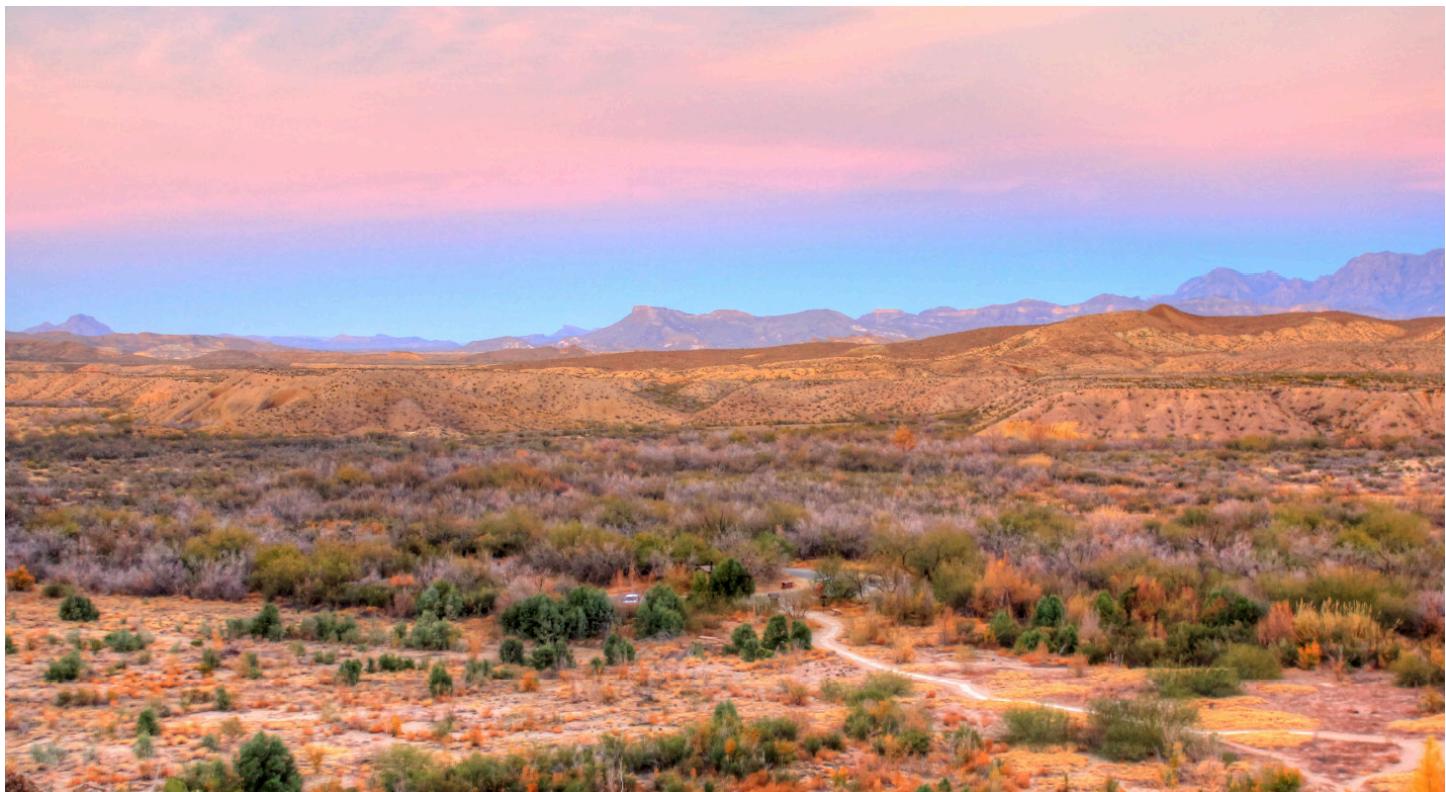
Socio-cultural Environment of LGBTQ+ People in Texas

Status of LGBTQ+ Organizing and Community

Five openly LGBTQ+ state legislators started the state's first LGBTQ+ Caucus in early 2019. They make up nearly 20% of the house's women members.

Cultural Views of the LGBTQ+ Community

Texas is one of the worst states in terms of LGBTQ+ protections, but 70% of Texans oppose LGBTQ+ discrimination (that's 6% lower than the national statistic)



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.

