

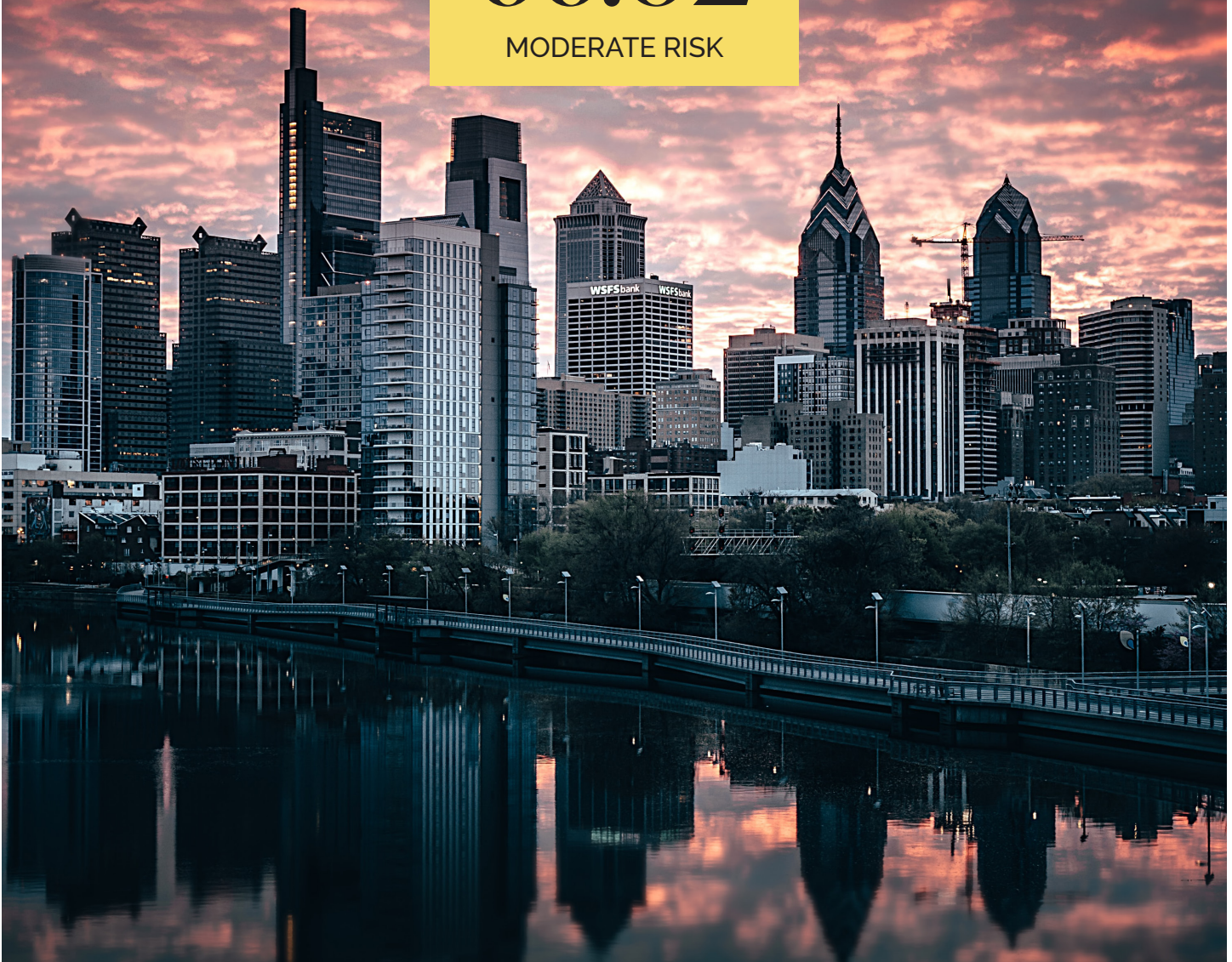
Pennsylvania

LGBTQ+ Business Climate Score

out of a possible 100 points

66.02

MODERATE RISK



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 outleadership.com/driving-equality/us-state-ceo-briefs/

Pennsylvania



Legal & Nondiscrimination Protection

The Legal and Nondiscrimination Protections section includes two subsections: The **Personal Legal Scale** assesses the state's laws directly impacting LGBTQ+ individuals. This includes processes for transgender people to change their gender markers on birth certificates and driver's licenses, as well as protections for individuals in housing, the workplace, public spaces, foster care, and more. **Two Nondiscrimination Protections Scales** assess the extent to which LGBTQ+ people are protected under state law. One evaluates nondiscrimination laws related to employment and the other evaluates any nondiscrimination laws related to housing, public accommodations, credit and lending.



Youth & Family Support

The Youth and Family Support section contains three subsections. The **Family Support Scale** measures how supportive the state is of LGBTQ+ people who are in or wish to start families. Elements of this scale include: the percentage of LGBTQ+ families raising children, and whether state family leave laws cover same-gender couples and allow workers to care for the children they are raising. The **Children and Youth Scale** assesses the resources available to LGBTQ+ children and youth in the state, including whether the state has non-discrimination laws and policies for LGBTQ+ students. The **Targeted Laws** section evaluates states on whether they ban discussion of same-gender marriage in schools, and whether they ban conversion therapy for minors.





Political & Religious Attitudes

The Political and Religious Attitudes section contains two subsections. Taken together, these scales assess the tone of the state's conversation around LGBTQ+ rights. The **Religious Protections Scale** assesses the extent and impacts of a state's constitutional or statutory religious exemption laws, and whether state law provides for targeted religious exemption from laws governing child welfare services, private wedding services, and the provision of medical care. The **State Leadership Scores** are Out Leadership's unique measures evaluating the state's most senior elected officials – the Governor and the two U.S. Senators – and assessing how they've represented their views of LGBTQ+ people in speeches and in their political platforms, and in terms of how they've acted with regard to laws impacting LGBTQ+ equality.

16.60/20



Health Access & Safety

The Health Access and Safety section contains two subsections. The **Health Scale** assesses LGBTQ+ people's access to insurance and medical care in each state, giving particular emphasis to the most economically precarious and vulnerable members of the community. The **Safety Scale** is based on two significant laws protecting or criminalizing behaviors affecting LGBTQ+ people. It asks whether the state protects LGBTQ+ people in its hate crime laws. It also assesses whether the state criminalizes exposure to or transmission of HIV.

10.0/20



Work Environment & Employment

The Work Environment and Employment section contains two subsections. The **Work Environment Scale** assesses transgender individuals' experiences at work, including incidences of verbal harassment, sexual assault, and other mistreatment. The **Employment Scale** is based on assessments of LGBTQ+ employment in the state. This scale includes the percentage of LGBTQ+ people making less than \$24,000 annually (approximately the current Federal poverty line), and the differences in unemployment rates and food insecurity between LGBTQ+ and non-LGBTQ+ identified individuals.

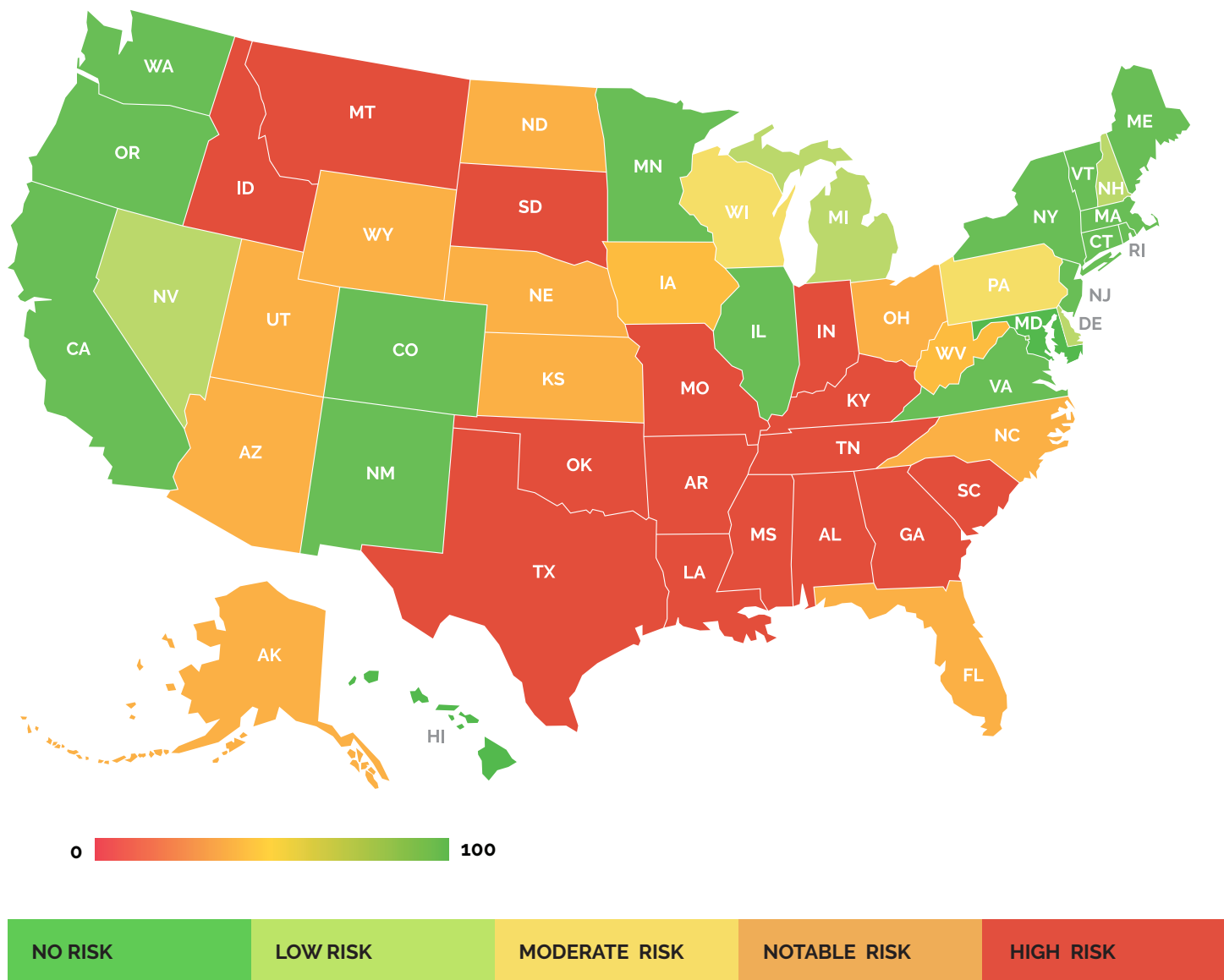
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A Note on Methodology

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.





Pennsylvania Talking Points

4.1% of Pennsylvanians identify as LGBTQ+. Conservatively, that's LGBTQ+ personal income of \$29 billion – it's a market my business can't afford to ignore.

LGBTQ+ people in Pennsylvania enjoy many of the same rights as non-LGBTQ+ residents, however Pennsylvania is one of only 21 states without a law explicitly banning LGBTQ+ discrimination.

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 \$9,752 to replace an employee in Pennsylvania, and it can cost up to \$492,000 to replace senior executives. Pennsylvania 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.

Increased hostile policy toward the LGBTQ+ community will have a negative impact on companies ability to attract and retain top talent.

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

Regional Context

The Northeast

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 Northeast has the lowest percentage of those who are out at work (49.6%). LGBTQ+ workers in urban environments, however, do feel slightly more comfortable talking about their personal lives vs. urban LGBTQ+ workers for the rest of the country (17% more likely than nationwide). Workers in this region are more likely to hear or engage in negative conversations about LGBTQ+ people at work. Particularly for the non-LGBTQ+ group, which is 23% more likely to report observing or experiencing negative conversations about LGBTQ+ people vs the nation as a whole. Despite being more likely to hear negative conversations at work, workers in this region are the least likely to say that they hear this negativity from state leadership. They are 61% less likely to report that leadership in their state talks about LGBTQ+ people in predominantly negative terms. Like most regions, there is a strong difference between urban and rural audiences, especially for the self-rated importance of team diversity when looking for jobs. LGBTQ+ / Allies living in Rural areas care the least about diverse teams when looking for jobs (49% less likely than nationwide). Finally, audiences in the Northeast were 20% more likely to list "Supporting LGBTQ+ Pride celebrations" as one of their top three ways businesses can demonstrate their support for the community.

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 Northeast region included: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.

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

2

LOW RISK

Companies incur low risk to their brands by operating in Pennsylvania, where there are no statewide LGBTQ+ inclusive nondiscrimination protections, but the conversation is slowly moving in the right direction.

Client Risk

2

LOW RISK

There is low risk of LGBTQ+ or strong ally clients pulling their business from companies operating in Pennsylvania in light of the state's business climate and reputation.

Talent Risk

2

LOW RISK

Pennsylvania lacks statewide comprehensive nondiscrimination laws, which might make LGBTQ+ professionals think twice about moving there.

Marketing Risk

3

MODERATE RISK

Attitudes towards LGBTQ+ people can vary widely between Pennsylvania's major cities and its rural areas, so companies incur moderate risk by marketing to LGBTQ+ people there.

Future Risk

1

NO RISK

Pennsylvania has a low volume of negative bills filed in recent years, and none enacted in law, and we would not expect that to change in the near future. We assess this state as currently having no risk of a negative, headline-making event.





Current Legal Status of LGBTQ+ People in Pennsylvania

Legal status of the Lesbian, Gay and Bisexual Community

Pennsylvania does not have statewide nondiscrimination legislation explicitly covering LGBTQ+ individuals. However, various nondiscrimination protections apply due to statewide policy interpretations, executive orders and municipalities' actions.

In August 2018, the Pennsylvania Human Relations Commission expanded nondiscrimination protection under two state laws to include LGBTQ+ individuals. The first law, the Pennsylvania Human Relations Act (PHRA), prohibits discrimination in the context of employment, public accommodation, housing and commercial property. The second law is the Pennsylvania Fair Educational Opportunities Act (PFEOA), which prohibits discrimination in post-secondary education. LGBTQ+ people can file complaints with the Commission under PHRA and PFEOA. The two pieces of guidance define

"sex" as a protected class to include "sex assigned at birth, sexual orientation, transgender identity, gender transition, gender identity, and/or gender expression depending on the individual facts of the case."

Despite these recent advances in the interpretation and enforcement of nondiscrimination laws, the PHRA and PFEOA currently do not include the words "sexual orientation" or "gender identity," which means they lack binding legal authority. Legislation to make this change has been proposed for over 20 years and recently moved through the House of Representatives.

State employees and employees of contractors doing business with Pennsylvania are protected against discrimination on the basis of sexual orientation and gender expression or identity.

Philadelphia's local nondiscrimination legislation is particularly robust and bans LGBTQ+ discrimination in housing and public places. The city also classifies attacks based on sexual orientation or gender identity as hate crimes.

In Philadelphia, foster and adoption agencies which contract with the city are required to abide by its nondiscrimination policies.

For pregnant same-sex female couples married at the time of the child's birth, the Pennsylvania Department of Health, Vital Records Department will issue birth certificates with the names of both same-sex spouses listed as the parents.

Pennsylvania law is not settled with respect to the recognition of parental rights for same-sex partners, even when they are married and both listed on their child's birth certificate. Same-sex partners who conceive using donors should pursue adoption by the non-biological parent to ensure parental rights are recognized. The 2002 Pennsylvania Supreme Court decision *In re Adoption of R.B.F.* expressly allows second-parent adoptions, enabling a same-sex parent to adopt his or her partner's biological or adoptive child without terminating the first parent's legal status.

Surrogacy contracts are legal for same-sex couples in Pennsylvania.

No state law prohibits joint adoption by a same-sex couple.

Pennsylvania's hate crimes law does not enumerate sexual orientation or gender identity as protected classes. Legislation to update Hate Crimes Laws to include sexual orientation have been introduced, unsuccessful in the Pa House and Senate since 2014.

There's no statewide law banning conversion therapy in Pennsylvania, however 12 cities and two counties have statutes or ordinances that prohibit

conversion therapy for minors, including Pittsburgh, Philadelphia, Allentown, Doylestown, Reading, State College, Yardley Borough and Bethlehem. There was a proposed bill to ban it introduced in the house in 2021 but it stalled in committee.

Pennsylvania's Religious Freedom Protection Act ("RFPA") states that a state "agency shall not substantially burden a person's free exercise of religion, including any burden that results from a rule of general applicability." A person may assert that an agency has violated this law as a defense in a judicial or administrative proceeding, and may bring an action in court in certain circumstances. As noted previously, the new guidance for the PHRA and PFOEA may result in respondents' use of the protections under RFPA to avoid enforcement of nondiscrimination. Pennsylvania's law only applies to individuals, churches and tax-exempt organizations (not for-profit businesses like bakers or florists).

Legal Status of the Transgender Community

Children in foster care are protected from gender discrimination.

To update the gender marker on a Pennsylvania birth certificate, an individual must simply fill out a request form, specifying male, female, or nonbinary or "x."

To update the gender marker on a Pennsylvania driver's license or identification card, an individual must have a signed statement from a licensed provider certifying the individual's gender identity.

Name changes on Pennsylvania driver's licenses and identification cards require the support of official documentation, such as a court order certifying the change.

Some municipalities have laws protecting transgender individuals and students in lieu of statewide laws. For instance, Philadelphia public schools are required to allow transgender students to use facilities consistent with their gender identity. Similarly, single-occupancy public bathrooms in Philadelphia are required to have gender-neutral signage.

Pennsylvania Medical Assistance program (Medicaid) has covered some surgical procedures and medical care related to gender confirmation.

Insurers in the state are prohibited from discriminating on the basis of sex, sexual orientation or gender identity, meaning medically necessary services must be covered regardless of a policyholder's gender identity.

Government Statements and Actions

In May 2023, the Pennsylvania House of Representatives passed HB300, "The Equality Act," after 22 years of advocacy. The bill would amend the Pennsylvania Human Relations Act to include "sexual orientation" and "gender identity" in the list of identities protected from discrimination in housing, employment and public accommodations. The legislation must still pass the Senate and be sent to the Governor's desk to become law.

Former Pennsylvania health secretary Rachel Levine became the highest-ranking trans official in the nation's history – and the first openly trans person to be confirmed by the US Senate – when she was confirmed as President Joe Biden's assistant health secretary.

After Republican state lawmakers introduced a trans sports inclusion ban in 2021, Gov. Tom Wolf proclaimed that, should it pass, he would veto it. The bill is currently still in review by the Pennsylvania House and Senate.

In May 2020, Pennsylvania became the first state to collect sexual orientation and gender identity data for coronavirus cases.

In July 2018, a Third Circuit panel held that transgender-inclusive policies in a Pennsylvania school that allow transgender students to use the locker and restrooms that are consistent with their gender identities do not violate anyone's constitutional rights to bodily privacy. The case, Doe Boyertown Area School District, was appealed to the U.S. Supreme Court, but justices denied to entertain it.

In August 2018, Governor Tom Wolf signed an executive order creating the Pennsylvania Commission on LGBTQ+ Affairs to serve as the Commonwealth's advocate agency for LGBTQ+ citizens. Tasked with advising the governor on policies, procedures, legislation and regulations that impact the LGBTQ+ community, as well as acting as a resource for Commonwealth and local agencies, departments and citizens, the Commission on LGBTQ+ Affairs is the first of its kind in the United States.

In June 2018 Governor Tom Wolf vowed to veto a Republican-sponsored bill pending in the state legislature that could nullify numerous LGBTQ+-inclusive ordinances.

Democrats in the state legislature have repeatedly tried to add sexual orientation and gender identity to the state's nondiscrimination laws, thus far unsuccessfully.



Socio-cultural Environment of LGBTQ+ People in Pennsylvania

Status of LGBTQ+ Organizing and Community

There's currently no statewide LGBTQ+ focused equality organization in Pennsylvania although efforts to rebuild Equality Pennsylvania have gained traction in early 2023.

The Mayor of Philadelphia established an Office of LGBTQ+ Affairs, which made international news in 2017 with its introduction of the More Color, More Pride LGBTQ+ Pride flag.

Pittsburgh's Mayor's office has an LGBTQIA Advisory Council.

Cultural Views of the LGBTQ+ Community

77% of Pennsylvanians favor nondiscrimination laws to protect LGBTQ+ people.

65% oppose allowing LGBTQ+ discrimination on religious grounds.



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.

