Texas

LGBTQ+ Business Climate Score

out of a possible 100 points

44.70
HIGH 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/

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**Texas**

**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.

9.50/20

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**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.

4.40/20
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.

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.

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.

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.
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.

Increased hostile policy toward the LGBTQ+ community will have a negative impact on companies ability to attract and retain top 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 $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 begins to foster a business environment where being inclusive is supported.
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 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 very 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.
# Impact of LGBTQ+ Discrimination on Business Talent

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<th>Rating</th>
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<td><strong>Brand Risk</strong></td>
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<td><strong>Talent Risk</strong></td>
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<td><strong>Future Risk</strong></td>
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<td><strong>Client Risk</strong></td>
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<td><strong>Marketing Risk</strong></td>
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<tr>
<td>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.</td>
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<th><strong>Talent Risk</strong></th>
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<td>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.</td>
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<th><strong>Client Risk</strong></th>
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<td>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.</td>
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<th><strong>Marketing Risk</strong></th>
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<td>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.</td>
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<th><strong>Future Risk</strong></th>
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<td>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.</td>
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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.

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.
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

Texas lawmakers have filed more than 90 pieces of anti-LGBTQ+ legislation in the 2023 legislative session, with many of the bills targeting trans youth access to gender-affirming care.

Some of the bills being debated in 2023 include whether to block transgender kids’ access to transition-related health care, classify businesses that host drag shows as sexually oriented establishments and limit public school lessons on sexuality and gender identity.

Lt. Gov. Dan Patrick has made it a Senate priority to pass measures that pertain to classroom instruction about LGBTQ+ people, the college sports teams transgender students can join and medical treatments that can be provided to transgender youth. Gov. Greg Abbott has vowed to ban schools’ “woke agendas”.

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 more than 90 anti-LGBTQ+ bills this Session. In the 2021 legislative session there were two dozen, and 16 pro-LGBTQ+ bills.

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."
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.

Currently the Caucus includes 44 Members of the House of Representatives.

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.