

Iowa

LGBTQ+ Business Climate Score

out of a possible 100 points

49.60

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/

Iowa



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.

10.6/20



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.

11.0/20



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.

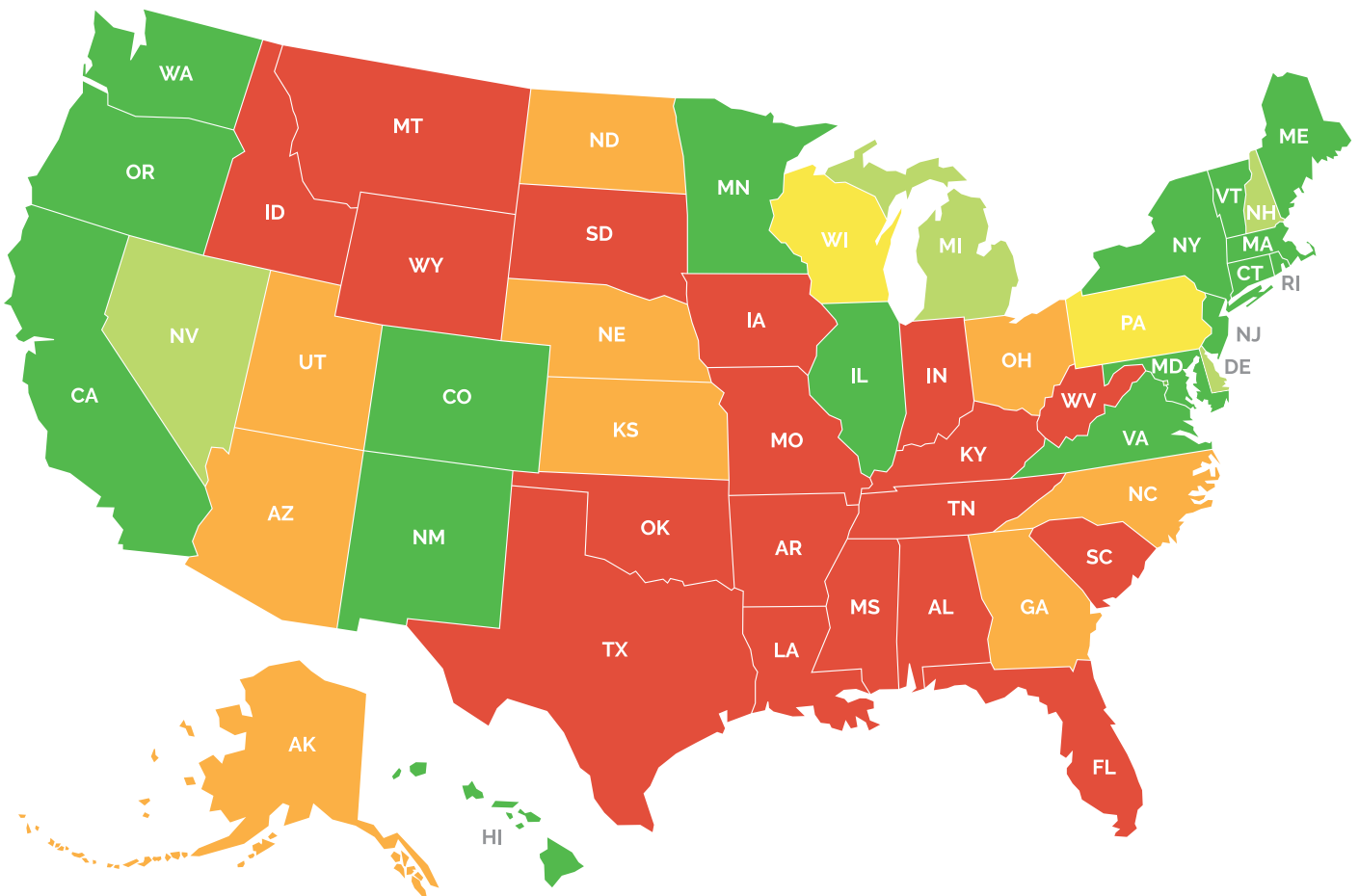
11.0/20

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.





Iowa Talking Points

4.7% of Iowa residents identify as LGBTQ+. Conservatively, that's LGBTQ+ personal income of \$5.3 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.

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

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.

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.

Current Legal Status of LGBTQ+ People in Iowa

Legal status of the Lesbian, Gay and Bisexual Community

Iowa has passed both a "Don't Say Gay" bill and a bill limiting the use of bathrooms for trans and nonbinary folks. There is also a bill currently on the Governor's desk for broader religious exemption acceptance across the board in the state (May 2024). 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.

There is both a "Don't Say Gay" and a bathroom bill that have been introduced and signed in the last year (2023-2024). Restricting access to LGBTQ+ inclusive curriculum for LGBTQ+ students and families in Iowa as well as a bathroom bill limiting the use of bathrooms to folks "sex assigned at birth".

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.

Iowa has passed 2 anti LGBTQ+ bills this year - both targeting trans youth's access to gender-affirming healthcare and for trans youth to access school facilities (Bathrooms and locker rooms) in accordance with their gender identity.

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 transgender 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."



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.

