

RESEARCH REPORT

Why Are There Gaps in LGBTQ+ Homeownership?

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Contents

Acknowledgments	iv
Executive Summary	v
Why Are There Gaps in LGBTQ+ Homeownership?	1
Literature Review	1
Data and Methodology	4
Analysis	5
Regression Results	19
Limitations	26
Policy Implications	26
Conclusion and Next Steps	28
Notes	30
References	32
About the Authors	33
Statement of Independence	35

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Executive Summary

The homeownership rate among lesbian, gay, bisexual, transgender, and queer (LGBTQ+) people is 20 percentage points lower than the rate for people who identify as straight and cisgender. Previous research on LGBTQ+ homeownership and wealth building in general has been sparse. Our analysis closes some of this knowledge gap by identifying demographic trends that contribute to differences in homeownership rates by both sexual orientation and gender identity. The gaps suggest significant implications for policymakers, including the need to incorporate sexual orientation and gender identity questions in national surveys to continue learning how to best support underresearched LGBTQ+ populations.

Our analysis reveals several trends that should inform policy and further research:

- **Age accounts for about half of the difference in homeownership rates by sexual orientation and gender identity.** LGBTQ+ people are much younger than the rest of the population, which results in less time to have built wealth and strong credit scores.
- **Marriage has a less significant economic impact for LGBTQ+ people than it does for straight and cisgender couples.** After accounting for age, income, and educational attainment, homeownership rates for straight married couples are generally 15.9 percentage points higher than they are for single households, though the marriage premium for lesbian, gay, or bisexual married couples is only 12.3 percentage points. We see a similar pattern by gender identity and in household income.
- **Gaps in income and homeownership rates are more pronounced by gender identity than sexual orientation.** Sixty-one percent of unmarried transgender or nonbinary people earn less than \$50,000 a year, whereas this share is 52 percent for lesbian, gay, bisexual, or queer people and 50 percent for straight and cisgender.
- **Costs of living for LGBTQ+ people are likely disproportionately high because LGBTQ+ people concentrate in states with social and policy protections, which tend to be more expensive.** LGBTQ+ population shares are highest in states with protections for LGBTQ+ people and lowest in states with exclusionary policies. Strong social protections by state are correlated with higher costs of living.
- **Intersections of race and ethnicity and LGBTQ+ identity create a double disadvantage in access to homeownership for LGBTQ+ people of color.** After controlling for age, income, educational attainment, parenthood, and marital status, people who are Black and cisgender

are 16 percentage points less likely to own their home compared with white and cisgender people, and this gap increases to 22 percentage points for people who are Black and transgender or nonbinary.

Why Are There Gaps in LGBTQ+ Homeownership?

Our recent analysis of homeownership outcomes finds that the homeownership rate for lesbian, gay, bisexual, transgender, and queer (LGBTQ+) households is 20 percentage points lower than the homeownership rate for straight and cisgender households.¹ In this report, we identify reasons for this gap, how much it can be explained, and how much there is to learn.

The LGBTQ+ community is one of the youngest and fastest-growing populations in the United States, and their access to homeownership is critical to a stable and thriving US housing market. Most LGBTQ+ people are either in or entering their prime homebuying years, and LGBTQ+ households have a cumulative spending power of nearly \$1.4 trillion, on par with that of Latine, Black, and Asian households.² Addressing barriers to homeownership and economic mobility are critical in light of increasing anti-LGBTQ+ violence and mounting state-level legislative rollbacks of LGBTQ+ civil rights that threaten the financial stability of LGBTQ+ people.³ And even for households in LGBTQ+-friendly states, rapidly declining housing affordability continues to price out households in every market, particularly younger households and those without intergenerational wealth.

Ongoing data collection, research, and analysis of the LGBTQ+ community are key to informing policy and regulatory solutions to address barriers to homeownership. In this report, we seek to understand the causes of the homeownership rate disparity between LGBTQ+ households and straight and cisgender households, specifically how age, marital status, presence of children, geography, and race and ethnicity affect the gap.

Literature Review

We know little about disparities in homeownership rates for the LGBTQ+ community, primarily because of a lack of reliable and robust data. Most major datasets with housing and mortgage data do not collect information on sexual orientation or gender identity. There have been several previous attempts to document LGBTQ+ homeownership rates and homebuying experiences, though there have been no comprehensive studies explaining why homeownership rates are lower for LGBTQ+ communities.

BOX 1

A Note on Language and Separating Trends by Sexual Orientation and Gender Identity

“LGBTQ+” refers to both sexual orientation and gender identity, which are two distinct characteristics with different implications for homeownership. Throughout this analysis, we use LGBTQ+ to refer to all people who identify as lesbian, gay, bisexual, transgender, or queer. We use “non-LGBTQ+” to refer to people who are straight and cisgender, those whose gender identity aligns with the gender they were assigned at birth. We attribute the umbrella term “queer” to those who identified their sexual orientation as “other” on the survey.

We analyze differences by sexual orientation and by gender identity separately. Previous literature found that transgender and nonbinary people, whom we sometimes refer to as “gender nonconforming,” have even lower homeownership rates than lesbian, gay, and bisexual people.³ We distinguish homeownership gaps “by sexual orientation” to indicate differences in homeownership rates between lesbian, gay, bisexual, or queer people and straight people, and homeownership gaps “by gender identity” to mean differences in homeownership rates between transgender and nonbinary people and cisgender people.

Lastly, in our race and ethnicity analysis, we use “Latine” to refer to people of Cuban, Mexican, Puerto Rican, South or Central American, or another Hispanic, Latino, or Spanish origin. We use this term as we specifically discuss gender-nonconforming people of these origins, for whom “Latine” is more inclusive. We acknowledge this may not be the preferred identifiers for everyone, and we remain committed to employing inclusive language whenever possible.

³ Freddie Mac, *The LGBT Community: Buying and Renting Homes* (McLean, VA: Freddie Mac, 2018); LGBTQ+ Real Estate Alliance, *The LGBTQ+ Journey to Homeownership: 3rd Annual LGBTQ+ Real Estate Alliance Report* (St. Paul, MN: LGBTQ+ Real Estate Alliance, 2023); and Ana Hernández Kent and Sophia Scott, “New Analysis Finds LGBTQ+ Households Trail in Income and Wealth,” *On the Economy* (blog), Federal Reserve Bank of St. Louis, December 1, 2022, <https://www.stlouisfed.org/on-the-economy/2022/dec/new-analysis-finds-lgbtq-households-trail-income-wealth>.

Miller and Park (2016) inaugurate a method to estimate same-sex couples in Home Mortgage Disclosure Act data by identifying two coapplicants of the same gender as a same-sex couple. Using this proxy, they estimate a 6-to-16-point increase in mortgage applications by same-sex couples after marriage rights were enacted. Sun and Gao (2019) use the same proxy to identify discriminatory lending practices against same-sex couples, noting significant potential for overestimation in the model (as same-sex applicants could also be, say, a father and a son) and a lack of sufficient data to prove unfair lending.

Park (2022) uses this proxy to analyze insurance endorsement, denial, and default rates of same-sex applicants among Federal Housing Administration-insured home purchase mortgages, finding that

same-sex applicants had significantly lower endorsement rates and had significantly higher denial rates and denials for debt-to-income ratios than male-female applicants (accounting for race and ethnicity). Same-sex applicants were also more likely to buy a condominium or a home in a two-to-four-unit building.

Several surveys have been conducted to illustrate the experiences of LGBTQ+ homebuyers. Freddie Mac (2018) surveyed the housing experiences of 2,000 LGBTQ+ households in 2018, finding that more than 70 percent of LGBTQ+ renter respondents desired to own a home, and nearly half said they feared discrimination in the homebuying process. The National Association of Gay and Lesbian Real Estate Professionals published its own survey results of 300 of its realtor partners across the US.⁴ When asked about what factors could explain the lower LGBTQ+ homeownership rate, respondents cited a lack of funds for a down payment (77 percent), lack of short- and long-term financial stability (71 percent), lack of understanding of the homebuying process (64 percent), and a fear of discrimination in the homebuying process (57 percent). The National Association of Realtors found in its survey of more than 1,500 LGBTQ+ buyers and sellers that they were more likely to be first-time homebuyers and had lower median home purchase prices than straight and cisgender buyers and sellers (Yun et al. 2021). And the LGBTQ+ Real Estate Alliance’s 2023 survey of nearly 400 members suggests that anti-LGBTQ+ discrimination in real estate is most visible in required forms and discriminatory sellers (LGBTQ+ Real Estate Alliance 2023).

TABLE 1
LGBTQ+ Homeownership Rates, by Survey Source

Survey	Freddie Mac (2018)	LGBTQ+ Real Estate Alliance (2023)	Household Pulse Survey (this report)	SHED (2021)
LGBTQ+ homeownership rate	49.0%	49.8%	50.1%	44%

Sources: Freddie Mac, *The LGBT Community: Buying and Renting Homes* (McLean, VA: Freddie Mac, 2018); LGBTQ+ Real Estate Alliance, *The LGBTQ+ Journey to Homeownership: 3rd Annual LGBTQ+ Real Estate Alliance Report* (St. Paul, MN: LGBTQ+ Real Estate Alliance, 2023); and Ana Hernández Kent and Sophia Scott, “New Analysis Finds LGBTQ+ Households Trail in Income and Wealth,” *On the Economy* (blog), Federal Reserve Bank of St. Louis, December 1, 2022, <https://www.stlouisfed.org/on-the-economy/2022/dec/new-analysis-finds-lgbtq-households-trail-income-wealth>.

Note: SHED = Survey of Household Economics and Decisionmaking.

Without self-identified sexual orientation and gender identity (SOGI) data, a proxy for same-sex couples is the only way to research disadvantages and needs specific to a portion of the LGBTQ+ population. But this method captures only a small portion of the broad and varied LGBTQ+ communities. It leaves out gender-nonconforming people; unmarried lesbian, gay, and bisexual people; and bisexual people married to someone of the opposite sex. The St. Louis Federal Reserve used the

Household Pulse Survey (HPS), the Survey of Household Economics and Decisionmaking (SHED) and Survey of Consumer Finances (SCF) to investigate the financial security of LGBTQ+ people. They found that people who identify as LGBTQ+ have lower incomes and less wealth and are less likely to be homeowners than people who identify as straight and cisgender, but the income and wealth of bisexual women and transgender or nonbinary people are especially low.⁵ Similar to the Federal Reserve’s analysis, we use HPS, which is one of few nationally representative and publicly accessible surveys to collect self-identified SOGI data to analyze the diverse experiences and identities within the umbrella of LGBTQ+.

Data and Methodology

The HPS first began collecting SOGI data in July 2021. We have combined survey responses from 26 surveys spanning from August 4, 2021, through September 4, 2023, to form a dataset of more than 1.5 million respondents. Out of this two-year sampling period, 170,000 respondents identified as lesbian, gay, bisexual, or other sexual orientation, and 28,200 identified as transgender or nonbinary (table 2). To estimate homeownership rates, we use household-level weights so that the distribution of households approximates the distribution of households in the US.

TABLE 3A
Sexual Orientation among Respondents in Our Dataset

Sexual orientation	Respondents	Survey share	Weighted share, estimate of US population
Straight	1,468,767	89.7%	87.8%
Bisexual	66,046	4.0%	4.8%
Lesbian or gay	55,467	3.4%	3.2%
Other	48,612	3.0%	4.2%

TABLE 3B
Gender Identity among Respondents in Our Dataset

Gender identity	Respondents	Survey share	Weighted share, estimate of US population
Female, cisgender	935,780	57.1%	50.0%
Male, cisgender	681,067	41.3%	47.4%
Nonbinary	17,725	1.1%	1.5%
Transgender	10,493	0.6%	1.0%

Source: Household Pulse Survey.

The HPS tracks households' real-time financial characteristics and needs. The survey is an experimental dataset and has a large sampling error. The Census Bureau has corrected for some of this by weighting responses to be nationally representative, but inconsistencies remain.⁶ Most importantly, the HPS overestimates homeownership rates overall and by race and ethnicity (table 3).

TABLE 3
Homeownership Rates, by Survey

	Household Pulse Survey July 2021–Sep. 2023	2022 American Community Survey	Housing Vacancy Survey/Current Population Survey, Q3 2021–Q2 2023
White	75%	72%	74%
Black	49%	44%	45%
Latine	56%	51%	49%
Asian	69%	63%	61%
Overall	69%	65%	66%

Note: Q = quarter.

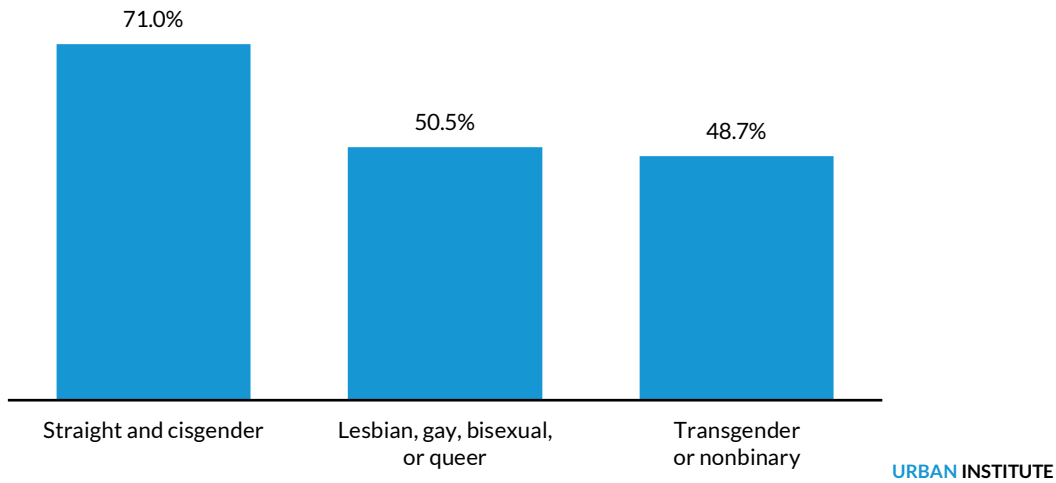
To understand the causes of these differences, we first observe how homeownership gaps change when controlling for different characteristics that are known to affect homeownership rates, such as age, income, household formation, and race and ethnicity. Next, recognizing that LGBTQ+ people are not evenly dispersed across states, we conduct a geographic analysis to observe how preference for states with protections for LGBTQ+ people influence housing affordability and homeownership rates. Next, we produce a regression to determine the explanatory power of different characteristics on LGBTQ+ homeownership rates. Finally, we discuss the policy implications of this research and future areas of research.

Analysis

Our initial analysis of the HPS data is striking: according to the survey, the homeownership rate of lesbian, gay, bisexual, and queer people is 20 percentage points lower than that of straight and cisgender people. For transgender and nonbinary people, the difference is 22 percentage points (figure 1).

FIGURE 1

Homeownership Rates, by Sexual Orientation and Gender Identity



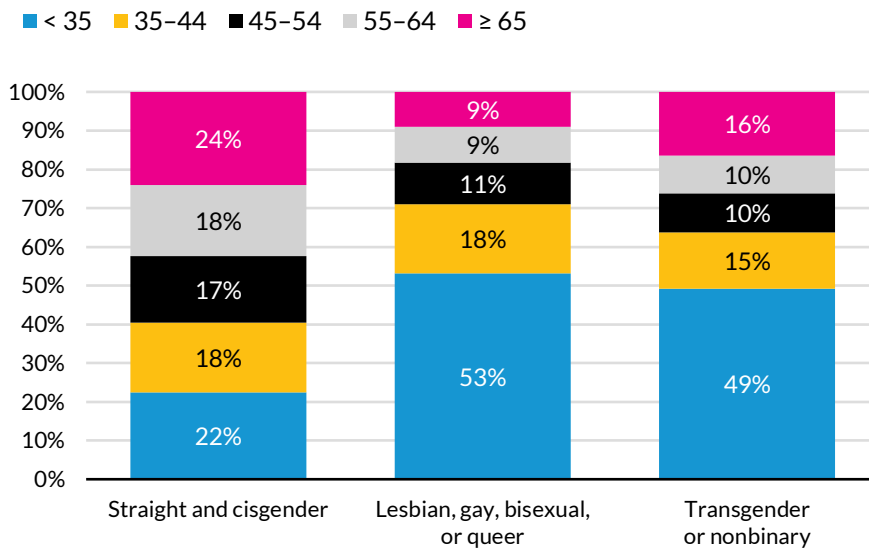
Sources: Household Pulse Survey and Urban Institute calculations.

Note: Weighted to be nationally representative at the household level.

Age

We expect that controlling for age should close the homeownership gap significantly because the LGBTQ+ population is significantly younger than the straight and cisgender population (figure 2). More than half of LGBTQ+ people are younger than 35, compared with less than a quarter of straight and cisgender people. A mix of societal, cultural, and legal factors have made this so: younger generations are more likely to identify as LGBTQ+ because of greater societal acceptance, legal protection, and cultural education on sexual orientation and gender identity.⁷ Additionally, older people have higher homeownership rates than younger people, as they are more likely to be married and have children and have had longer to build sufficient credit and accumulate the savings to qualify for a mortgage.

FIGURE 2
Age Distributions, by Sexual Orientation and Gender Identity



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Sources: Household Pulse Survey and Urban Institute calculations.

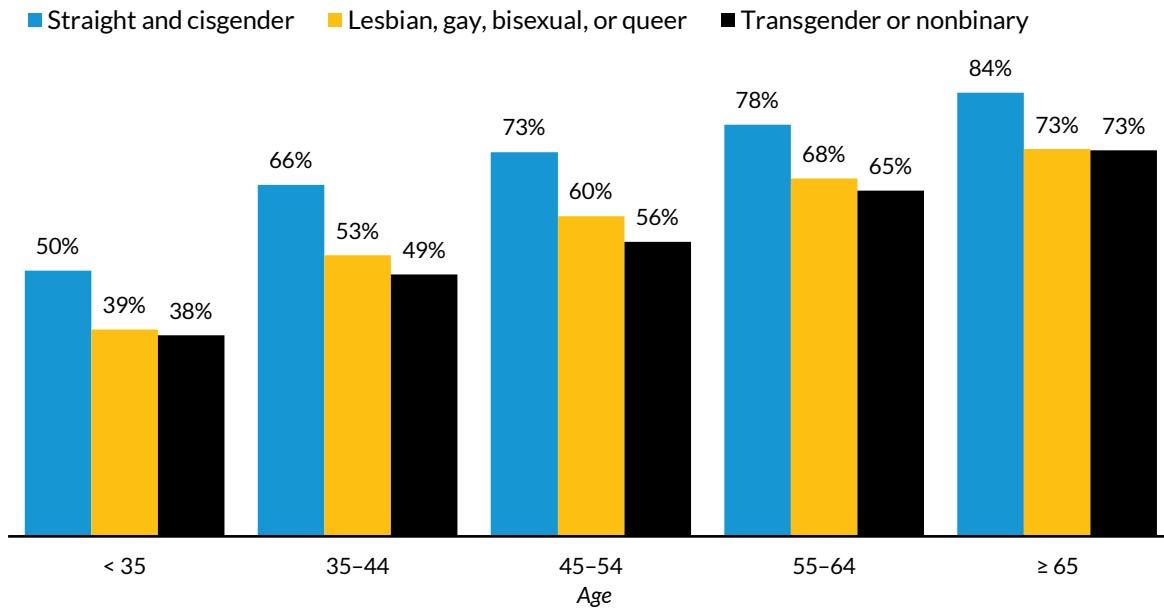
Note: Weighted to be nationally representative at the person level, not the household level.

We find that within age groups, homeownership gaps by sexual orientation and gender identity persist but are considerably smaller than overall (figure 3). Compared with the 20 percentage-point gap overall, the gap between lesbian, gay, bisexual, or queer people and straight and cisgender people ranges from 9 to 13 percentage points within age buckets. And compared with the 22 percentage-point homeownership gap overall, the gap between transgender or nonbinary people and straight and cisgender people declines to between 11 and 18 percentage points within age groups.

As affordability constraints persist because of high interest rates and low supply, age may have greater explanatory power for LGBTQ+ homeownership gaps, as younger households continue to delay homeownership more than generations past. The share of homeowners younger than 35 has fallen 7 percent since 1980, and the median age of a first-time homebuyer rose to 36 in 2022.⁸

FIGURE 3

Homeownership Rates, by Age, Sexual Orientation, and Gender Identity



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Sources: Household Pulse Survey and Urban Institute calculations.

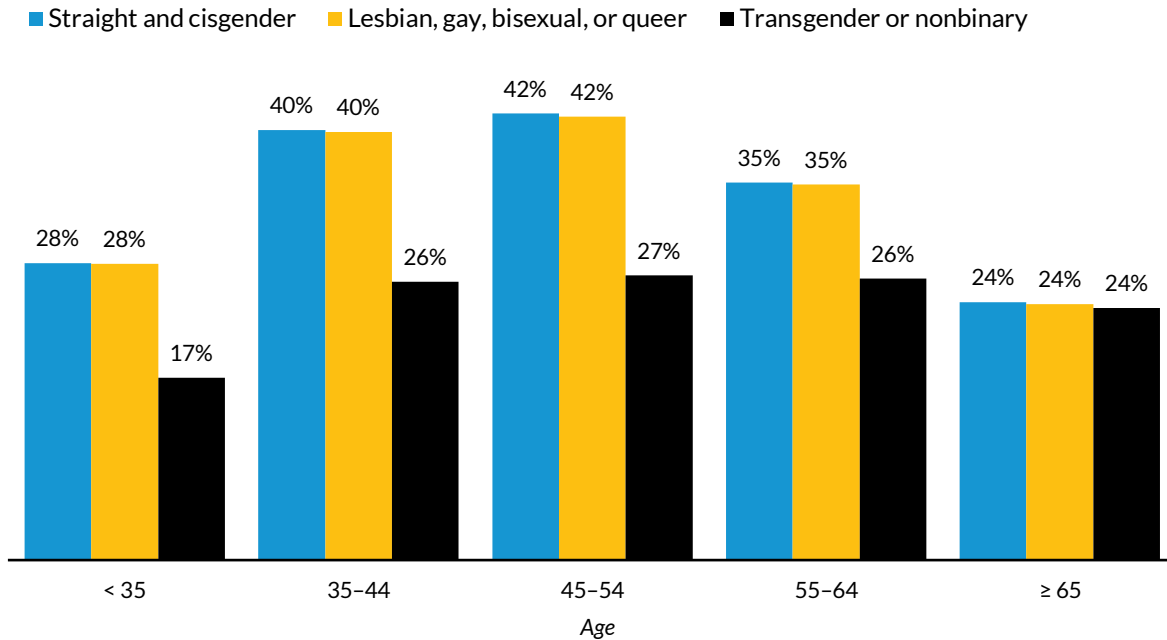
Note: Weighted to be nationally representative at the person level, not the household level.

Economic Characteristics: Household Income and Education

Economic characteristics such as household income and educational attainment, after controlling for age, explain only a fraction of a percent of the homeownership gap by sexual orientation, though there are significant differences in economic characteristics for people who are gender nonconforming. There are only slight differences in economic characteristics by sexual orientation for people within the same age groups. But household income and educational attainment are lower for transgender and nonbinary people than for cisgender people, even within the same age groups. For example, 42 percent of straight and cisgender people ages 45 to 54 earn at least \$100,000 a year, and the same is true for lesbian, gay, bisexual, and queer people, but only 27 percent of transgender and nonbinary people ages 45 to 54 earn at least \$100,000. This suggests that transgender and nonbinary people face structural barriers in accumulating wealth relative to the cisgender population.

FIGURE 4

Share of People Who Earn More Than \$100,000 a Year, by Age, Sexual Orientation, and Gender Identity



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Sources: Household Pulse Survey and Urban Institute calculations.

Note: Weighted to be nationally representative at the person level, not the household level.

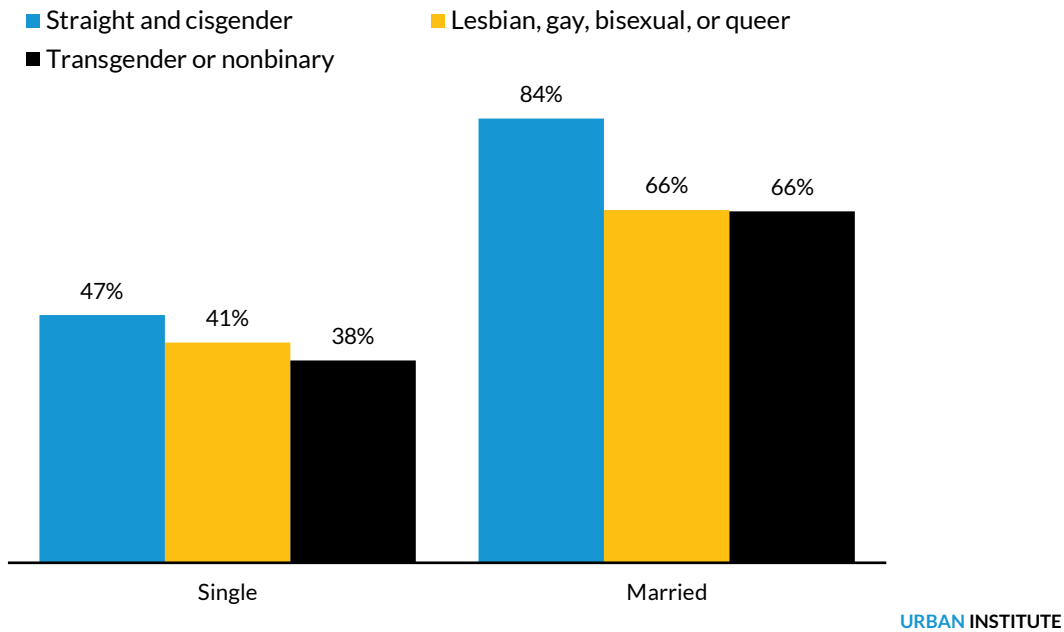
Marital Status

LGBTQ+ people are significantly less likely to be married than straight and cisgender people, with same-sex marriage only beginning to be legalized on a state level in 2004 and nationally in 2015, in addition to differing attitudes toward marriage among LGBTQ+ people (Robinson and Frost 2023).⁹ Marriage is significant for homeownership because married couples, particularly those with dual incomes, are more likely than single people to be homeowners (figure 5).

In addition, we found that LGBTQ+ people accrue fewer financial benefits from marriage than straight couples do. Marriage offers a 37 percentage-point premium in homeownership rates for straight and cisgender people but only a 25 percentage-point premium for married lesbian, gay, bisexual, or queer people and a 28 percentage-point premium for transgender or nonbinary people.

FIGURE 5

Homeownership Rates, by Marital Status, Sexual Orientation, and Gender Identity



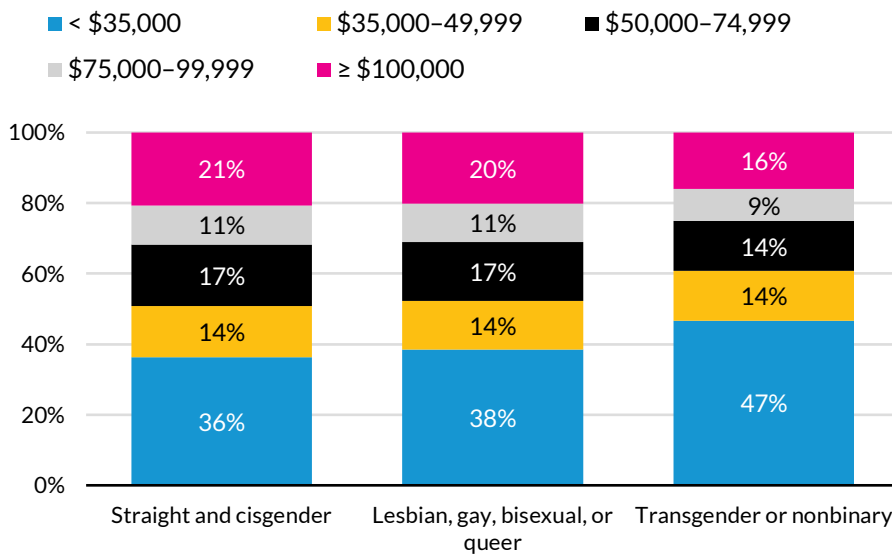
Sources: Household Pulse Survey and Urban Institute calculations.

Note: Weighted to be nationally representative at the person level, not the household level.

Some evidence suggests that this is not a behavioral difference, because incomes follow a similar pattern (figure 6). Among unmarried people, there are little to no differences in incomes by sexual orientation. But a greater share of lesbian, gay, bisexual, and queer married couples make less than \$50,000 (by 9 percent) and a lower share of those making at least \$100,000 (by 8 percent) than married straight couples. We need more information to know why marriage has a smaller economic benefit in terms of household income and homeownership rates for LGBTQ+ couples than for straight couples.

FIGURE 6A

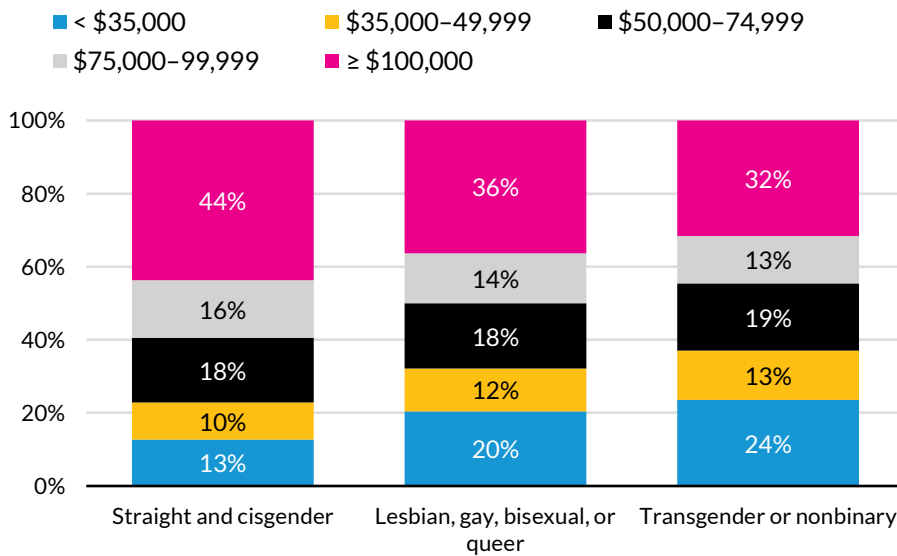
Household Income Distribution of Unmarried People, by Sexual Orientation and Gender Identity



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FIGURE 6B

Household Income Distribution of Married People, by Sexual Orientation and Gender Identity



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Sources: Household Pulse Survey and Urban Institute calculations.

Note: Weighted to be nationally representative at the person level, not the household level.

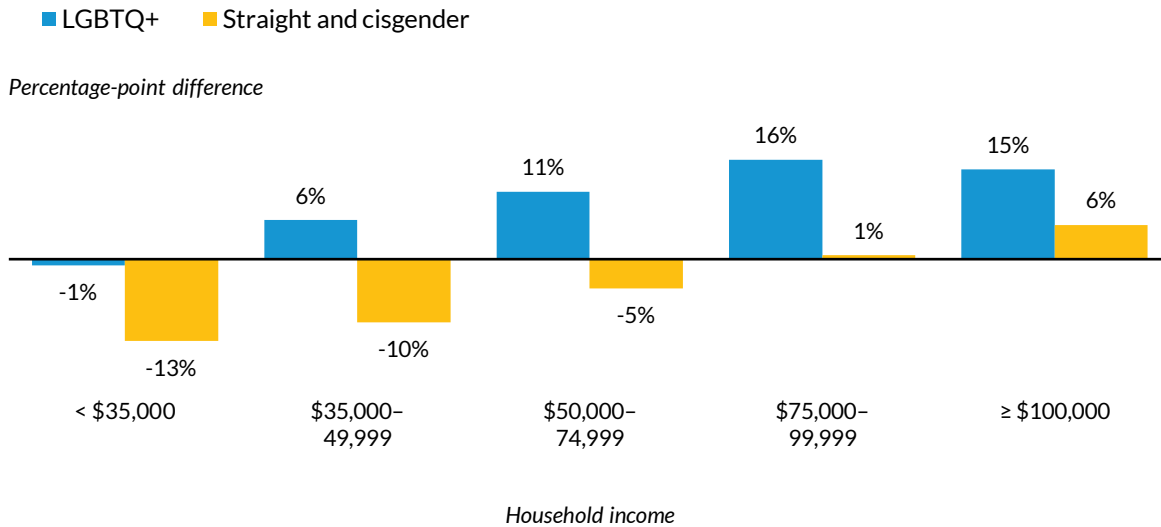
Children

LGBTQ+ parents are more likely than other parents to adopt their children or pursue surrogacy, and parents looking to pursue these options must meet requirements regarding financial capability, safe and stable housing, and, occasionally, marriage.¹⁰ Additionally, those seeking children through nontraditional means often pay around \$30,000 for adoption and up to \$150,000 for surrogacy.¹¹

These barriers also make LGBTQ+ people less likely than others to be parents. Only 18 percent of lesbian, gay, bisexual, or queer people have kids younger than 18, compared with 39 percent of people who identify as straight and cisgender. Thirty-five percent of transgender or nonbinary people have young kids, about the same percentage as straight and cisgender people (we include only households with a child younger than 18 in our analysis because having an older child who has moved out affects family finances, and thus homeownership status, less).

Interestingly, we find that parenthood increases the likelihood of homeownership more for LGBTQ+ parents than for straight parents (figure 7). For households earning less than \$75,000, having a child is associated with lower homeownership rates for straight and cisgender households. Straight and cisgender parents earning less than \$35,000 are 13 percentage points less likely to be homeowners than straight people with the same income who do not have kids. The opposite is true for LGBTQ+ parents, who are more likely to be homeowners if they have a young child. This pattern is true when broken down by sexual orientation and gender identity. But in the regression results below, we find that this trend is statistically significant by sexual orientation but not by gender identity.

FIGURE 7
Homeownership Rate Differences between Households with and without Children, by LGBTQ+ Identity



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Sources: Household Pulse Survey and Urban Institute calculations.

Note: Weighted to be nationally representative at the person level, not the household level.

Race and Ethnicity

Households of color—particularly, Black and Latine households—have far lower homeownership rates than white households because of historical, racialized exclusion in housing and mortgage markets.¹² According to a recent data report by the American Community Survey, LGBTQ+ couples are more likely than straight couples to be interracial.¹³ In our own analysis, we have also observed that people of color are, in general, more likely than white people to identify as LGBTQ+ (table 4). Given the disparities in homeownership we have observed by sexual orientation and gender identity, it is vital that we analyze the intersections of these barriers for LGBTQ+ households of color.

TABLE 4

LGBTQ+ Population Shares, by Race or Ethnicity

	Gender nonconforming	Lesbian, gay, or bisexual
White	2.1%	11.2%
Black	2.3%	9.2%
Latine	3.7%	16.5%
Asian	1.9%	11.6%
Other	5.5%	18.9%

Sources: Household Pulse Survey and Urban Institute calculations.

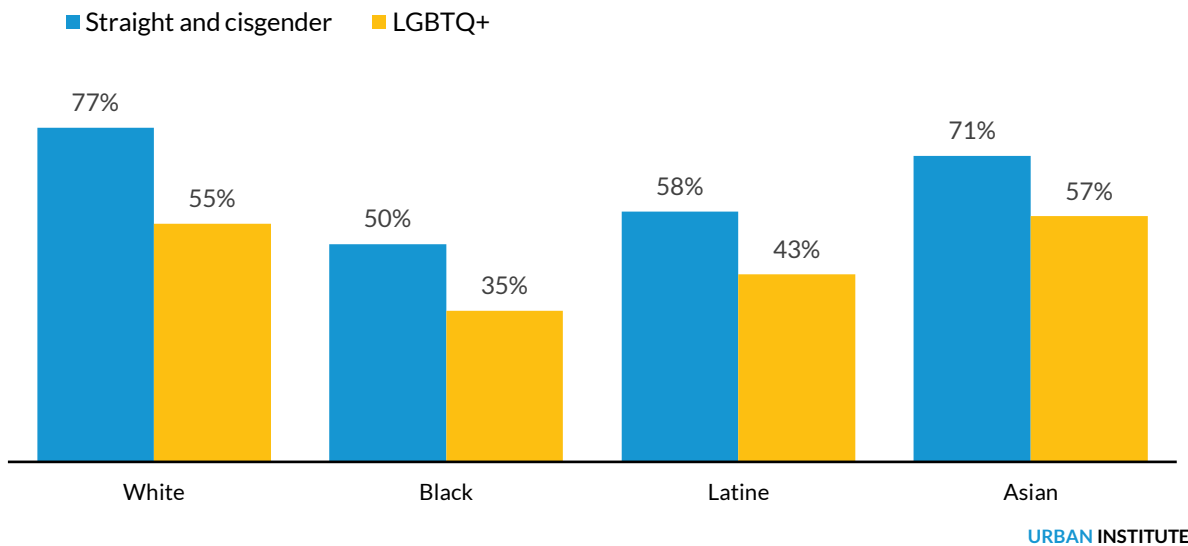
Note: Weighted to be nationally representative at the person level, not the household level.

We found that the intersection of race and ethnicity and LGBTQ+ identity creates additional disadvantage in access to homeownership (figure 8). Black straight and cisgender households have homeownership rates 25 percentage points lower than white straight and cisgender households, and this gap widens by an additional 15 percentage points for Black LGBTQ+ households. This “double disadvantage” holds true for Latine and Asian LGBTQ+ households as well.

Notably, racial and ethnic homeownership gaps are narrower among LGBTQ+ households than among straight and cisgender households.

FIGURE 8

Homeownership Rates, by LGBTQ+ Identity, Race, and Ethnicity



Sources: Household Pulse Survey and Urban Institute calculations.

Notes: Homeownership rates in the Household Pulse Survey overestimate the national homeownership rate and unequally overestimate homeownership rate by race and ethnicity by 2.6 to 6.0 percentage points (2022 American Community Survey one-year estimates). Although patterns between groups likely reflect national trends, estimates by group are likely higher than in the national population.

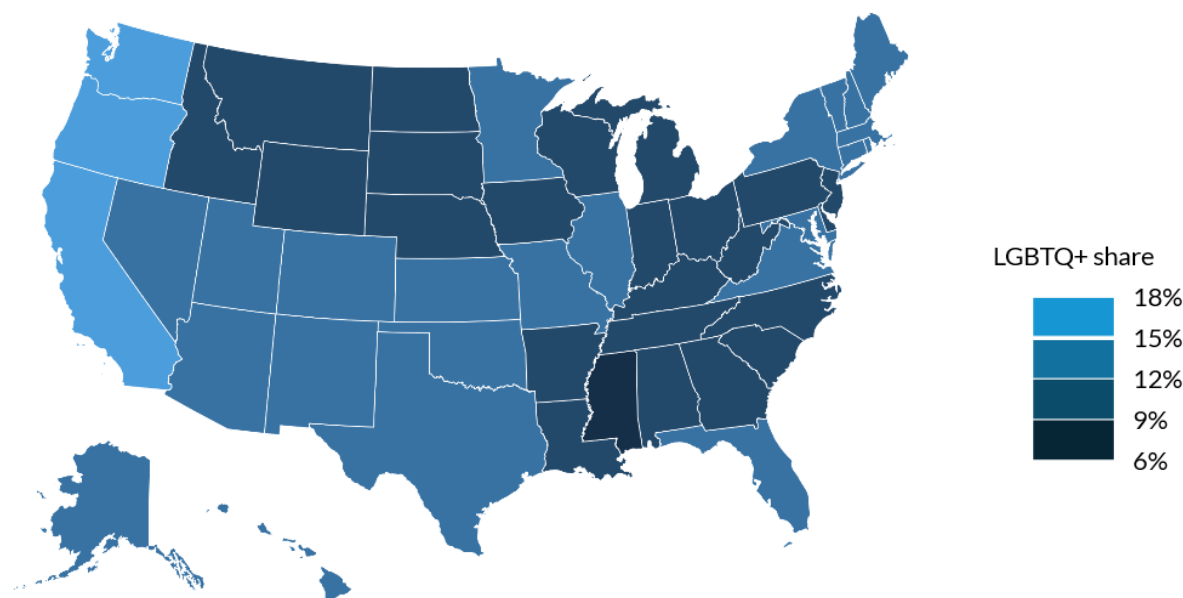
Geography

LGBTQ+ Americans concentrate in states that promote more inclusive policies. We identify this correlation but do not attempt to explain it. LGBTQ+ people may prefer to live in places with LGBTQ+-friendly legislation, places with large LGBTQ+ populations may be more likely to pass LGBTQ+ protections through democratic power, or people may feel more comfortable self-identifying as LGBTQ+ in communities that have passed protections. Whatever the reason, this correlation exists and has implications for LGBTQ+ living expenses. States with the most inclusive social policies tend to have the most expensive housing markets. The higher concentration of LGBTQ+ people in states with inclusive social policies and, coincidentally, lower homeownership rates present barriers to affordable homeownership for LGBTQ+ people.

LGBTQ+ PEOPLE, RELATIVE TO THE GENERAL POPULATION, CONCENTRATE IN STATES WITH MORE INCLUSIVE SOCIAL POLICIES AND PROTECTIONS

States' population shares of LGBTQ+ people vary by 9 percentage points overall, ranging from 17.6 percent of Oregon's population to 8.3 percent of Mississippi's population. Figure 9 shows the percentage of LGBTQ+ residents, by state.

FIGURE 9
LGBTQ+ Share of the Population, by State



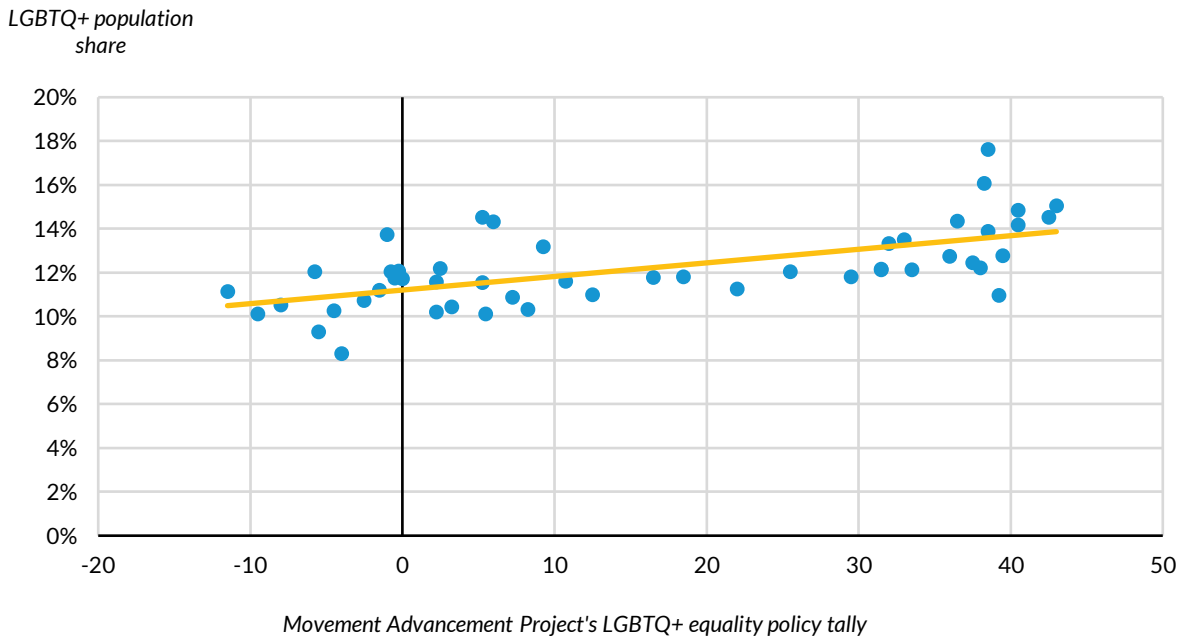
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Sources: Household Pulse Survey and Urban Institute calculations.

LGBTQ+ residents tend to concentrate in states with greater protections. The Movement Advancement Project (MAP) ranks every state’s legislation concerning LGBTQ+ protection and persecution in education, health care, public accommodations, and other areas.¹⁴ We use this policy index by state to analyze how opportunities for LGBTQ+ people vary by state.

States with the highest shares of LGBTQ+ people also have the highest scores for LGBTQ+ inclusive policies (figure 10). The five states with the highest shares of LGBTQ+ residents (Oregon, Washington, California, Nevada, and Colorado) all scored high on the MAP policy tallies. On the other hand, states with the lowest share of LGBTQ+ residents (Mississippi, South Dakota, Alabama, West Virginia, and Wyoming) had policy tallies below zero, meaning those states still have policies that are discriminatory against LGBTQ+ people.¹⁵ Almost 40 percent of the variation in LGBTQ+ population shares by state can be explained by state-level legislation pertaining to LGBTQ+ communities. This suggests that state-level protections for LGBTQ+ people are an important factor in the distribution of LGBTQ+ people across the country.

FIGURE 10
Equality Policy Tally, by State LGBTQ+ Population Share



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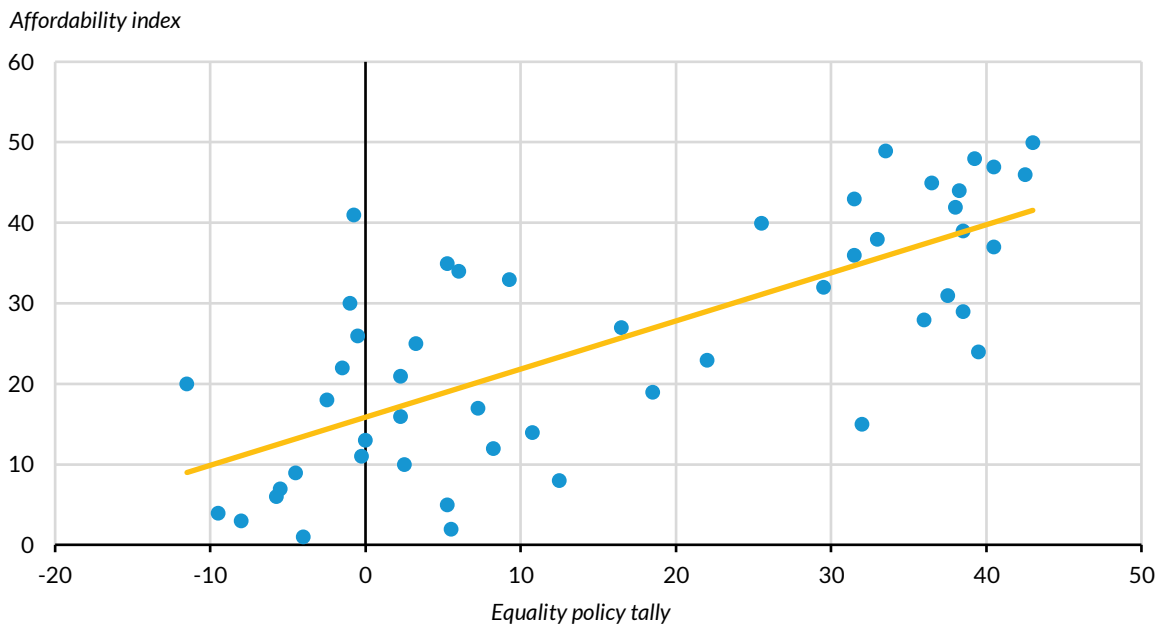
Sources: Household Pulse Survey, Urban Institute calculations, and the Movement Advancement Project’s equality maps.

Notes: This correlation indicates that a 10-point increase in the policy index score is correlated with a 0.6 percent greater share of the state population that identifies as LGBTQ+. This correlation is statistically significant at 99 percent confidence.

WE FOUND A STRONG CORRELATION BETWEEN STATES THAT ARE UNAFFORDABLE AND STATES THAT HAVE THE MOST INCLUSIVE POLICIES

LGBTQ+ people tend to live in states with affirming social policy protections but with unaffordable markets. Using the *US News and World Report's* housing affordability index ranking state markets, we found that states that performed best on the housing affordability index have the most exclusionary social policies for LGBTQ+ people (figure 11). This presents a key challenge to LGBTQ+ homeownership: LGBTQ+ people concentrate in states with the most social policy protections, but higher housing costs in these markets reduce LGBTQ+ housing affordability nationwide. Income disparities between LGBTQ+ and cisgender and straight residents increase the barriers to homeownership for LGBTQ+ people, especially in high-cost markets.

FIGURE 11
LGBTQ+ Equality Policy Tally, by Affordability Index



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Sources: "Housing Affordability," *US News and World Report*, accessed November 8, 2023, <https://www.usnews.com/news/best-states/rankings/opportunity/affordability/housing-affordability>; and "Snapshot: LGBTQ Equality by State," Movement Advancement Project, accessed November 7, 2023, <https://www.lgbtmap.org/equality-maps>.

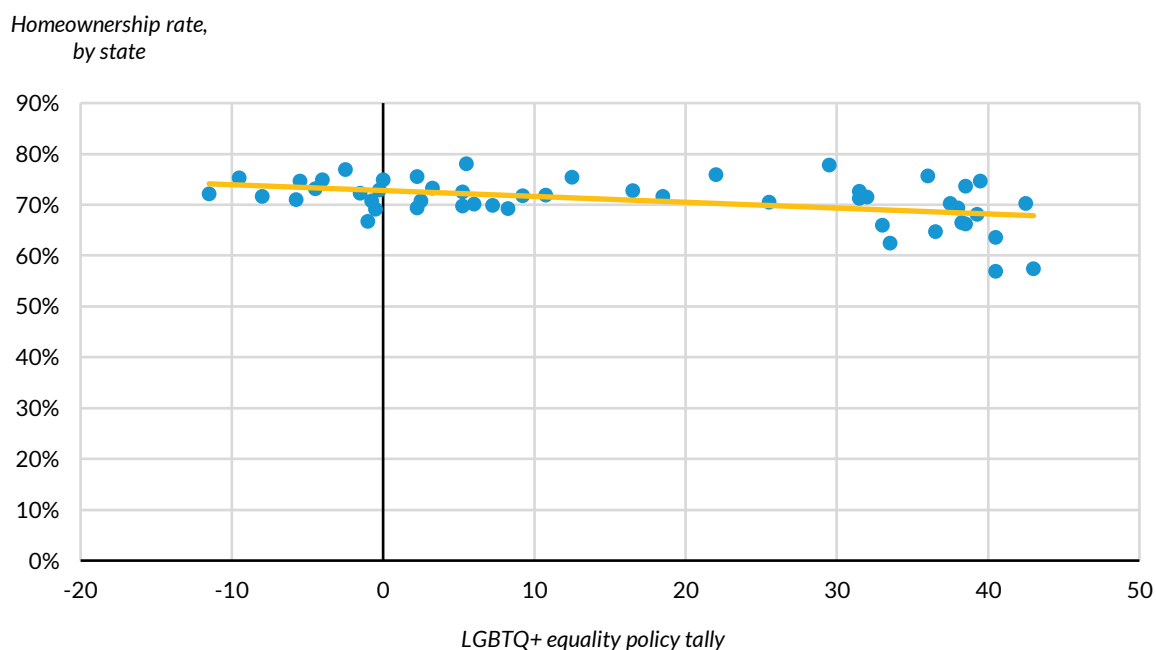
Note: The housing affordability index ranks states from most expensive to least expensive.

THESE FACTORS ALONE DO NOT EXPLAIN HOMEOWNERSHIP GAPS FOR LGBTQ+ PEOPLE

The relationship between a state's homeownership rate and policy tally is less pronounced (figure 12). Although LGBTQ+ people are affected by housing affordability more broadly, this suggests that other

factors, including age, household income, and marital status, influence state-level variations in LGBTQ+ homeownership. We need further research using data with more granular geographies, such as metropolitan and micropolitan areas, to know how geographic distribution relates to homeownership for LGBTQ+ people. States are too large of areas to draw conclusions about housing market conditions such as supply, prices, and appreciation.

FIGURE 12
Equality Policy Index, by State Homeownership Rates



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Sources: "Snapshot: LGBTQ Equality by State," Movement Advancement Project, accessed November 7, 2023, <https://www.lgbtmap.org/equality-maps>; Household Pulse Survey; and Urban Institute calculations.

Although limited data exist to explain state-level differences in homeownership, current legislation has the potential to exacerbate housing costs for LGBTQ+ Americans. Recent research indicates that around one in four LGBTQ+ workers has relocated from areas with anti-LGBTQ+ legislation, and most respondents expressed concern about these trends.¹⁶ Future research should examine longer-term impacts of state legislation of the distribution of LGBTQ+ Americans and how this influences housing demographics, as well as more granular geographic data to account for local supply and affordability within MSAs and rural areas. More people moving to higher-cost markets could limit future homeownership opportunities, so state policymakers should protect paths to affordable homeownership as state policy dynamics evolves.

Regression Results

We used the HPS, weighted by household to be nationally representative from August 2021 to September 2023, to identify various factors behind the homeownership rate gap between LGBTQ+ people and straight and cisgender people. Table 1 shows summary statistics for the variables of interest in this report. Household heads or survey respondents for LGBTQ+ households are younger and are more likely to live in states with a higher LGBTQ+ policy tally and a higher affordability index; this is true by sexual orientation and gender identity. LGBTQ+ households also have lower incomes, on average, than straight and cisgender households, though this difference is greater for transgender and nonbinary household heads. Income is also the only variable with a significant missing share in the survey, with 23 to 30 percent of each group not reporting their annual income. Lesbian, gay, bisexual, or queer household heads have, on average, similar educational attainment to straight and cisgender household heads, with 33 percent of both groups graduating from college, though educational attainment among transgender and nonbinary household heads is lower, with only 25 percent having graduated from college. LGBTQ+ households are also more likely than straight and cisgender households to be single and not have kids.

TABLE 5
Summary Statistics

	Straight and cisgender		Lesbian, gay, bisexual, or queer		Transgender or nonbinary	
Households	106,477,942		14,450,280		2,720,032	
Homeownership rate	71.0%		50.4%		48.7%	
	Mean	Median	Mean	Median	Mean	Median
Age	51	51	39	34	41	35
State policy tally	18	17	20	19	20	19
State affordability index	30	30	32	31	31	31
Income						
< \$35,000	20,948,507	20%	3,739,834	26%	811,640	30%
\$35,000–50,000	10,235,616	10%	1,470,535	10%	275,619	10%
\$50,000–100,000	25,036,472	24%	3,082,939	21%	462,644	17%
≥ \$100,000	25,267,911	24%	2,548,513	18%	351,729	13%
Missing	24,989,436	23%	3,608,459	25%	818,400	30%
Race or ethnicity						
White	69,553,701	65%	8,683,130	60%	1,523,901	56%
Black	12,757,058	12%	1,341,308	9%	319,738	12%
Latine	15,168,398	14%	2,902,473	20%	550,888	20%
Asian	5,116,581	5%	663,423	5%	107,533	4%
Other	3,882,204	4%	859,946	6%	217,972	8%
Missing	0	0%	0	0%	0	0%
Education						
No college	39,995,068	38%	4,938,939	34%	1,174,452	43%
Some college	31,066,518	29%	4,754,853	33%	855,666	31%
College graduate	35,416,356	33%	4,756,489	33%	689,914	25%
Missing	0	0%	0	0%	0	0%
Marital status						
Married	56,670,042	53%	4,286,524	30%	762,450	28%
Previously married	25,009,404	23%	2,126,030	15%	505,396	19%
Single	24,411,869	23%	7,990,258	55%	1,421,981	52%
Missing	386,627	0%	47,468	0%	30,205	1%
Parent of child under 18						
Kids	38,531,243	36%	4,283,015	30%	876,115	32%
No kids	67,946,699	64%	10,167,265	70%	1,843,917	68%
Missing	0	0%	0	0%	0	0%

Sources: Household Pulse Survey and Urban Institute calculations.

Note: Unit of measurement is household.

We use the following model to understand homeownership rates by sexual orientation and controls (table 6):

$$H = C + SO + Age + Fin + HH \cdot SO + R \cdot SO + ST * SO + e$$

where H is the estimated homeownership rate, C is the constant, e is residual error, Age is the respondent's age divided by 10, Fin is financial characteristics (educational attainment and household income, where the comparison outcomes are no college and less than \$35,000, respectively), HH is

household characteristics (marriage, compared with single or previously married, and parent of a child younger than 18, compared with no children or parent of adult children), R is the respondent's race or ethnicity with comparison group of white and not Latine, ST represents state level variation in policy tally and affordability index, and SO is a flag that is 1 when the respondent is lesbian, gay, bisexual, or queer and 0 when the respondent is straight. In table 7, we repeat the same control variables and use gender identity as the variable of interest, with 1 representing transgender or nonbinary and 0 representing cisgender.

Without controls (table 6, model 1), the lesbian, gay, bisexual, or queer population has a homeownership rate that is 17.4 percentage points lower than that of the straight population. In line with the preliminary analysis above, controlling for age reduces the gap by almost 50 percent. On average, lesbian, gay, bisexual, or queer people still have a statistically significant lower homeownership rate (9 percentage points) than straight people of the same age. Controlling for financial characteristics (model 3) has a negligible effect on the gap after accounting for age, as expected, because lesbian, gay, bisexual, or queer people have, overall, similar household incomes and educational attainment to straight people of the same age.

Accounting for marital status and parenthood further explains a portion of the gap, as lesbian, gay, bisexual, or queer households are less likely to be married and have kids, both of which have an overall positive correlation with homeownership. Interacting marital status with sexual orientation (model 4) lets us differentiate homeownership gaps between single and married households. After controlling for age, income, and education, married lesbian, gay, bisexual, or queer households have a homeownership rate 8.6 percentage points (-5.0 – 3.6) lower than that of straight married households, whereas the homeownership gap by sexual orientation for single people is 6 percentage points. In model 5, we interact parenthood, specifically of a young child, with sexual orientation. After controlling for age, income, education, and marital status, straight parents have a homeownership rate 3.6 percentage points higher than that of straight people without kids, and lesbian, gay, bisexual, or queer parents have a homeownership rate 6.1 percentage points higher than that of lesbian, gay, bisexual, or queer people without kids.

The intersections between race and ethnicity and sexual orientation in model 6 show that Black and Latine lesbian, gay, bisexual, or queer people have especially low homeownership rates. Black and Latine homeownership rates are significantly lower than the white homeownership rate by 16.3 and 9.3 percentage points, respectively. Sexual orientation is an additional barrier to homeownership, with a smaller but still statistically significant economic impact on homeownership rates. Compared with those who are white and straight, Black lesbian, gay, bisexual, or queer people have a homeownership rate

21.3 percentage points lower ($-6.9 - 16.3 + 1.9$), and for Latine lesbian, gay, bisexual, or queer people, the gap is 14.0 percentage points ($-6.9 - 9.3 + 2.2$).

We then interact sexual orientation with race and ethnicity to find that the gap in homeownership rates by sexual orientation is greatest among white people. White lesbian, gay, bisexual, or queer households are, on average, 6.9 percentage points less likely to be homeowners than white and straight households with otherwise similar age, economic, and household characteristics. But Black lesbian, gay, bisexual, or queer households are 5.0 percentage points ($-6.9 + 1.9$) less likely to be homeowners than otherwise similar Black and straight households. Interestingly, there is almost no lesbian, gay, bisexual, or queer difference in homeownership among Asian households; on average, Asian lesbian, gay, bisexual, or queer households are only 1.2 percentage points ($-6.9 + 5.7$) less likely to be homeowners than straight Asian households.

TABLE 6

Homeownership Rates, by Sexual Orientation

	1	2	3	4	5	6	7
	Sexual orientation	Age	Financial characteristics	Marital status	Parenthood	Race and ethnicity	State
LGBQ	-0.174***	-0.090***	-0.085***	-0.050***	-0.063***	-0.069***	-0.047***
Age (10 years)		0.069***	0.075***	0.070***	0.074***	0.071***	0.073***
Income \$35,000–50,000			0.157***	0.131***	0.132***	0.125***	0.127***
Income \$50,000–100,000			0.277***	0.227***	0.229***	0.215***	0.222***
Income \$100,000+			0.412***	0.331***	0.333***	0.313***	0.331***
Some college			0.023***	0.029***	0.030***	0.027***	0.029***
Bachelor's or graduate			0.007***	0.016***	0.019***	0.013***	0.020***
Married				0.159***	0.147***	0.141***	0.133***
LGBQ x married				-0.036***			
Parent					0.036***	0.051***	0.049***
LGBQ x parent					0.025***		
Black						-0.163***	-0.161***
Latine						-0.093***	-0.063***
Asian						-0.057***	-0.016***
Other						-0.072***	-0.058***
LGBQ x Black						0.019***	
LGBQ x Latine						0.022***	
LGBQ x Asian						0.045***	
LGBQ x other						0.026***	
Policy tally							-0.001***
LGBQ x policy tally							-0.002***
Affordability index							-0.0003***
Constant	0.561***	0.195***	0.065***	0.046***	0.019***	0.079***	0.151***
	-0.0004	-0.001	-0.001	-0.001	-0.002	-0.002	-0.002
Observations	1,667,636	1,638,892	1,333,726	1,330,082	1,330,082	1,330,082	1,312,126
R ²	0.01	0.071	0.196	0.219	0.220	0.232	0.243
Residual standard error	4.285	4.155	3.524	3.474	3.471	3.443	3.438

Note: LGBQ = lesbian, gay, bisexual, or queer.

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

TABLE 7

Homeownership Rates, by Gender Identity

	1	2	3	4	5	6	7
	Gender identity	Age	Financial characteristics	Marital status	Parenthood	Race and ethnicity	State
Trans. or nonb.	-0.200***	-0.135***	-0.081***	-0.048***	-0.052***	-0.058***	-0.058***
Age (10yrs)		0.075***	0.079***	0.072***	0.076***	0.074***	0.075***
Income \$35,000–50,000			0.159***	0.132***	0.133***	0.126***	0.128***
Income \$50,000–100,000			0.280***	0.229***	0.231***	0.217***	0.223***
Income \$100,000+			0.417***	0.334***	0.335***	0.316***	0.333***
Some college			0.021***	0.027***	0.029***	0.026***	0.028***
Bachelor's or graduate			0.004***	0.014***	0.017***	0.012***	0.019***
Married				0.159***	0.149***	0.143***	0.135***
Trans. or nonb. x married				-0.051***			
Parent					0.042***	0.055***	0.052***
Trans. or nonb. x parent					-0.022***		
Black						-0.159***	-0.159***
Latine						-0.091***	-0.064***
Asian						-0.051***	-0.014***
Other						-0.071***	-0.059***
Trans. or nonb. x Black						0.007	
Trans. or nonb. x Latine						-0.022***	
Trans. or nonb. x Asian						0.025*	
Trans. or nonb. x other						0.019*	
Policy tally							-0.001***
Trans. or nonb. x policy tally							-0.002***
Affordability index							0.0002
Constant	0.545***	0.173***	0.040***	0.028***	-0.003**	0.057***	0.134***
	-0.0004	-0.001	-0.001	-0.001	-0.002	-0.002	-0.002
Observations	1,645,065	1,645,065	1,336,593	1,332,663	1,332,663	1,332,663	1,314,654
R ²	0.003	0.069	0.194	0.218	0.219	0.231	0.242
Residual standard error	4.304	4.159	3.528	3.476	3.473	3.445	3.438

Note: Trans. or nonb. = transgender or nonbinary.

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Model 7 accounts for variation by state, including the state policy tally and affordability index covered in the geography section. Policy tally and affordability index are both negatively correlated with homeownership rates, though the economic effects of both of these variables is small. Interestingly, the interaction between lesbian, gay, bisexual, or queer identity and socially liberal policy is also negatively correlated with homeownership. This is more evidence for our hypothesis from the geography section that homeownership rates for lesbian, gay, bisexual, or queer people are slightly negatively affected by geographic distribution correlated with LGBTQ+ related policy.

Table 7 shows regression results used to explain trends in the homeownership rate gap by gender identity. Overall, transgender and nonbinary people have a homeownership rate 20 percentage points lower than that of cisgender people. After controlling for age, this gap decreases to 13.5 percentage points. Accounting for differences in financial characteristics by gender identity further explains the gap, as transgender and nonbinary people, on average, have lower household incomes and educational attainment than cisgender people, even at similar ages.

Marriage increases the likelihood of homeownership less for transgender and nonbinary people than for straight people. The homeownership gap by gender identity for single people is 4.8 percentage points, and for married people, it is 9.0 percentage points (-4.8 – 4.2). Parenthood for transgender and nonbinary people is negatively correlated with homeownership, likely because transgender or nonbinary people are less likely than lesbian, gay, bisexual, or queer people to adopt.

Black, Latine, Asian, and other racial or ethnic identities and transgender or nonbinary gender identity create barriers to homeownership, especially for Latine transgender or nonbinary people. The gap between white cisgender and Black cisgender households is 15.9 percentage points, which increases to 21.7 percentage points (-15.9 – 5.8) for Black transgender or nonbinary households. Cisgender Latine households are 9.1 percentage points less likely, on average, to be homeowners than cisgender white households, and this gap increases to 17.1 percentage points (-9.1 – 5.8 – 2.2) for transgender or nonbinary Latine people. The negative interaction term for transgender or nonbinary and Latine identity suggests that Latine transgender and nonbinary people face additional barriers, potentially rooted in the layering of discrimination resulting from race, ethnicity, and sexual identity. We need more research to verify and explain this correlation.

These models explain only 24 percent of the variation in homeownership rates. Further research should control for variables not included in the HPS, such as a borrower's credit score, mortgage applications, and local market conditions like supply and housing costs.

Limitations

Focusing on state dynamics connects our homeownership analysis to recent trends that affect LGBTQ+ residents at the state level, but these results oversimplify regional market differences. Future data collection and analysis should focus on the metropolitan statistical area level, as LGBTQ+ residents tend to live in urban areas. Still, statewide trends contribute to the discussion of LGBTQ+ homeownership by presenting the factors that influence these disparate outcomes.

Policy Implications

Our quantitative analysis of LGBTQ+ homeownership rates has significant implications for policymakers.

Promoting equitable access to homeownership for LGBTQ+ individuals will require a collaborative effort between policymakers and housing and mortgage industry stakeholders. As the disparities in homeownership rates between LGBTQ+ people and straight and cisgender people can be attributed to both causal and demographic factors, policy efforts to address these gaps can be categorized accordingly.

Addressing Causal Factors

After controlling for age, income, education, marital status, race and ethnicity, and state fixed effects, there are still unexplained and statistically significant homeownership gaps correlated with sexual orientation and gender identity. Our analysis cannot prove or disprove discrimination on the basis of sexual orientation or gender identity because of a persistent lack of data on LGBTQ+ communities. Policymakers should consider intentional antidiscrimination policies to protect LGBTQ+ borrowers during the home searching and homebuying processes.

Considerable action has been taken to prohibit housing and mortgage market discrimination to LGBTQ+ individuals. Following the Supreme Court's 2020 decision in *Bostock v. Clayton County*, which interpreted protections by "sex" as inclusive of sexual orientation and gender identity, the Biden-Harris administration issued an executive order in 2021 obliging all federal agencies, including the US Department of Housing and Urban Development (HUD), to enforce these provisions under all antidiscrimination laws with sex-based protections, including the Fair Housing Act.¹⁷ Thus, under the Biden-Harris administration's interpretation and a subsequent HUD rule change, discrimination based

on sexual orientation and gender identity of people buying a home or getting a mortgage became effectively illegal.¹⁸ But these are advisory opinions that hold less legal weight and could be reversed with a change in administration.

Additionally, HUD's recently issued proposed rule on Affirmatively Furthering Fair Housing seeks to implement fair housing protections under the Fair Housing Act that would affect the activities of the agency and participants of its programs. Furthermore, as clarified following the *Bostock* decision, Regulation B of the Equal Credit Opportunity Act, which prohibits discrimination in all aspects of a credit transaction, similarly has protections based on sexual orientation and gender identity.¹⁹

Specific systemic barriers for LGBTQ+ people in housing and mortgage markets must also be considered. Legislation such as the Name Accuracy in Credit Reporting Act (S.2592 and H.R. 2444),²⁰ introduced by Senator John Fetterman (D-PA) and Representative Ayanna Pressley (D-MA-7) in 2023, directly address barriers to building credit history for individuals who change their name, which would facilitate access to mortgage credit for many transgender and nonbinary people.²¹

Lastly, continued analysis of homeownership disparities for LGBTQ+ people is impossible without the availability of high-quality data. The Urban Institute recently underscored this need in a comment letter on the proposed Household Pulse Survey Phase 3.10, urging the preservation and expansion of SOGI data collection. The Biden-Harris administration's efforts to advance SOGI data collection by federal agencies and provide guidance for how these data should be collected and used will be vital for researchers and policymakers to understand the struggles of LGBTQ+ communities and advance solutions to protect it.²² Finally, the Consumer Financial Protection Bureau, which administers Home Mortgage Disclosure Act data and the reporting requirements around them, should consider mandating questions on sexual orientation and gender identity on mortgage applications so researchers can further study the unexplained differences in homeownership rates for LGBTQ+ people.²³

Addressing Demographic Factors

Policies that generally advance household economic stability and housing affordability will support the homeownership potential of LGBTQ+ people, who, compared with straight and cisgender people, are significantly younger, experience lower financial premiums for marriage, endure significant costs to have children through surrogacy or adoption, and are more concentrated in high-cost markets.

Down payment assistance specifically for first-time or first-generation homebuyers can help bridge a significant cash obstacle to homeownership for younger households who face greater barriers to

homeownership than past generations. Increasing the supply of affordable homes—by loosening zoning and land-use regulations and expediting the permitting of new housing construction, for example—will alleviate the affordability constraints many prospective homebuyers face. Expanding access to housing counselors, realtors, and mortgage lenders that are LGBTQ+ friendly can better inform LGBTQ+ homebuyers of their financing options and improve comfort and ease with an already-complex process.²⁴

Further, the significant homeownership gaps among Black and Latine LGBTQ+ households should be of particular concern and at the forefront of policy action. Policies informed by the differential experiences of Black and Latine households in accessing homeownership should be employed, particularly considering alternative forms of credit in mortgage underwriting, investing in programs such as mortgage reserve accounts that support wealth building for prospective homebuyers, advancing special purpose credit programs (SPCPs) that allow lenders to offer credit on favorable terms to borrowers of a protected class who have suffered economic disadvantages, expanding loss mitigation strategies such as foreclosure assistance programs for home preservation, and more (Goodman et al. 2023).

Conclusion and Next Steps

Our collective analysis shows that homeownership rates for lesbian, gay, bisexual, transgender, and queer households is significantly lower than for straight and cisgender households. Some of this gap can be explained, but much remains to be learned, particularly as new data become available and are analyzed. Although our analysis explores variables such as age and race, one unexplainable factor in the homeownership gap is the role that systemic discrimination plays in contributing to this significant barrier to homeownership for LGBTQ+ people.

We need more analysis to answer several questions raised by this preliminary exploration:

- Why does marriage carry a less significant financial benefit for LGBTQ+ couples than for straight and cisgender couples?
- How does the intersection of Black, Latine, and gender nonconforming identities create additional disadvantages in homeownership?
- Does persisting discrimination create barriers to wages and homeownership for LGBTQ+ people?

- What are the lasting effects of greater rates of homelessness in LGBTQ+ communities, especially queer youth?

Notes

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- ³ “Mapping Attacks on LGBTQ Rights in U.S. State Legislatures,” American Civil Liberties Union, last updated November 3, 2023, <https://www.aclu.org/legislative-attacks-on-lgbtq-rights?state=&impact=>; and “The LGBTQ+ Journey to Homeownership,” LGBTQ+ Real Estate Alliance, accessed November 7, 2023, <https://realestatealliance.org/education/#discrimination-impact-report>.
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- ⁹ See also “Same-Sex Marriage, State by State,” Pew Research Center, June 26, 2015, <https://www.pewresearch.org/religion/2015/06/26/same-sex-marriage-state-by-state-1/>; and *Obergefell v. Hodges*, 135 S. Ct. 2584 (2015).
- ¹⁰ Danielle Taylor, “Same-Sex Couples Are More Likely to Adopt or Foster Children,” US Census Bureau, September 17, 2020, <https://www.census.gov/library/stories/2020/09/fifteen-percent-of-same-sex-couples-have-children-in-their-household.html>; and “Requirements to Adopt a Child,” Adoption Network, accessed November 8, 2023, <https://adoptionnetwork.com/adoptive-parents/how-to-adopt/considering-adoption/requirements-to-adopt-a-child/>.
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