THE ECONOMIC COST OF HOMOPHOBIA
& the Exclusion of LGBT People: A Case Study of India

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Preliminary results—please do not cite
SOGI
SEXUAL MINORITIES AND DEVELOPMENT
THE WORLD BANK
Key points

• **A model:** Homophobia and economic development are closely connected through multiple links.

• **A case study:** A focus on India allows an estimate of the cost of homophobia, although not all costs can be quantified: 0.1 – 1.7% of GDP

• **Future directions:** We need more data, research, and development attention on LGBT exclusion.
Methodological issues

• Big conceptual issue: Local vs. global identities
• Data challenges
• Expanding international scholarship
HOMOPHOBIA

- Violence
- Prison
- Job loss
- Discrimination
- Family rejection
- Harassment in school
- Pressure to marry
Research from India

**Discrimination**
56% of white-collar LG BT workers report discrimination

**Poverty**
64% of Kothis had incomes below $70 per month
66% of MSM in Chennai below $1.50/day

**Violence**
28% of urban lesbians experienced physical abusive violence in family
Social Exclusion

HOMOPHOBIA

- Violence
- Prison
- Job loss
- Discrimination
- Family rejection
- Harassment in school
- Pressure to marry

Individual-level outcomes

- Less education
- Lower productivity
- Lower earnings, more poverty
- Poorer health, shorter lives
- Lower labor force participation

Economy-level outcomes

- Higher health care & social program costs
- Lower economic output
- Fewer incentives to invest in human capital
Social Exclusion

HOMOPHOBIA

Violence

Prison

Job loss

Discrimination

Family rejection

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Pressure to marry

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ESTIMATED COSTS OF HOMOPHOBIA
Using India as a case study

<table>
<thead>
<tr>
<th>LOST PRODUCTIVITY</th>
<th>LGBT WORKFORCE</th>
<th>LOST LABOR OUTPUT</th>
<th>LOST GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOST WAGES 10%</td>
<td>3 MILLION</td>
<td>$244 MILLION DOLLARS</td>
<td>$1.25 BILLION DOLLARS</td>
</tr>
<tr>
<td>AVERAGE EARNINGS</td>
<td>17 MILLION</td>
<td>$1.5 BILLION DOLLARS</td>
<td>$7.7 BILLION DOLLARS</td>
</tr>
</tbody>
</table>

0.6% of workforce is LGBT
3.8% of workforce is LGBT
Lost output from health disparities: HIV, depression, suicide

- **Depression**: MSM rates 6-12 times population rate of 4.5% from the World Mental Health Survey
- **Suicidal thoughts**: LG BT Rates 7-14 times population rate of 2.1% from developing countries
- **HIV**: HIV prevalence among MSM is 15 times population rate
Estimating lost output from health

- Disability-adjusted life years (DALYs) lost per health condition by country
- “Excess DALYs” = number of current LGBT DALYs minus expected DALYs at population rate
- Each excess DALY valued at 1 - 3 times per capita national income ($1,530-$4,590 in 2012)
## Health cost of homophobia in India, 2012

<table>
<thead>
<tr>
<th></th>
<th>Low estimate</th>
<th>High estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV disparity</td>
<td>$228 million</td>
<td>$683 million</td>
</tr>
<tr>
<td>Depression</td>
<td>$184 million</td>
<td>$8.8 billion</td>
</tr>
<tr>
<td>Suicide</td>
<td>$300 million</td>
<td>$13.7 billion</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$712 million</strong></td>
<td><strong>$23.1 billion</strong></td>
</tr>
</tbody>
</table>
### Partial cost of homophobia in India, 2012

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<tr>
<td>Health disparities</td>
<td>$712 million</td>
<td>$23.1 billion</td>
</tr>
<tr>
<td>Labor-related loss</td>
<td>$1.2 billion</td>
<td>$7.7 billion</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1.9 billion</strong></td>
<td><strong>$30.8 billion</strong></td>
</tr>
<tr>
<td>% of GDP</td>
<td>0.1%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

*Projected annual IBRD lending to India: $3.4 billion*
Below the tip of the iceberg

- Other costs cannot be modeled with current data: *education, emigration, costs to families*
- Broader positive effects of inclusion: *increase attraction to skilled labor, investment, widening options for women, savings on health and other costs*
Next steps: broadening & deepening

• Invest in data
• Research priorities: focus on poverty
  – Identifying problems
  – Evaluating existing interventions
  – Develop new policies and interventions
• Research infrastructure
• Replicate in other countries