PRIDE IN ACTION: A GUIDE TO LGBTQ+ WORKPLACE INCLUSION IN LATIN AMERICA AND THE CARIBBEAN
Authors:

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About IDB Invest:

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Key Terminology and Acronyms

Sex and Gender

**Sex characteristics**: anatomic characteristics upon which biological sex is assigned, and which include genitalia, internal sexual organs, hormones and chromosomes (Martínez et al., 2020).

**Sex assigned at birth**: a biomedical category assigned to individuals based mainly on the appearance of their genitals at birth, usually thought of as a binary: male or female

**Intersex**: umbrella term for people who demonstrate variations in sex characteristics that fall outside traditional conceptions of male or female bodies (InterACT & AIS-DSD Support Group, 2020 in Martínez et al., 2020).

**Gender**: a social construct which places cultural and social expectations on individuals based on their assigned sex (ILGA-Europe, 2019 in Martínez et al., 2020).

Sexual Orientation

**Sexual orientation**: a person’s enduring capacity for profound romantic, emotional or physical feelings for, or attraction to, people of a particular sex or gender. It encompasses hetero-, homo-, and bisexuality and a wide range of other expressions of sexual orientation.

**Heterosexual**: people who are attracted to individuals of a different sex or gender identity from their own (also referred to as straight).

**Gay**: a man who predominantly has the capacity for romantic, emotional, or physical attraction to other men. The term is also sometimes used to describe women who are attracted to other women.

**Lesbian**: a woman who predominantly has the capacity for romantic, emotional, or physical attraction to other women.

**Bisexual**: people who have the capacity for romantic, emotional, or physical attraction to people of the same sex or gender, as well as to those of a different sex or gender.

**Pansexual**: a person who is attracted to people of all genders.
**Asexual:** lack of sexual attraction to others, or low or absent interest in or desire for sexual activity. Asexuality is distinct from abstention from sexual activity and from celibacy.

**Demisexual:** People who only feel sexual attraction to someone after they’ve formed a strong emotional bond with them.

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**Gender Identity and Expression**

**Gender identity:** each person’s profound internal and individual experience of gender (for example, of being a man, a woman, in between, neither or something else), which may or may not correspond with the sex they were assigned at birth, or the gender attributed to them by society. It includes the personal sense of the body (which may involve, if freely chosen, modification of appearance or function by medical, surgical or other means) and expressions of gender, including dress, speech, and mannerisms.

**Gender expression:** a manifestation of one’s gender identity through behavior, mannerisms, interests, appearances, or other forms of expression With no direct or necessary relation to a person’s assigned sex at birth, gender expression can vary throughout a person’s lifespan and may or may not match societal expectations about gender roles (Martínez et al., 2020).

**Cisgender:** people whose gender identity is in alignment with the sex assigned to them at birth, cis meaning “in alignment with” or “on the same side.” Cisgender is the term used to describe people who are not trans.

**Transgender:** a person whose sex assigned at birth does not match their gender identity.

**Nonbinary:** a self-descriptor used by people whose experience of gender identity and gender expression do not align neatly with either “man” or “woman”, which are the two categories western countries have generally used to classify gender.

**Queer:** an umbrella term that includes lesbian, gay, bisexual, transgender, and intersex people, among others. For decades, queer was used solely as a pejorative for gays and lesbians but was reclaimed by activists as a term of self-identification.

**Gender non-conforming:** people who do not follow other people’s ideas or stereotypes about how they should look or act based on the female or male sex they were assigned at birth. It can apply to all gender identities: trans, cis, nonbinary, and beyond. Frequently abbreviated as GNC.

**Gender-fluid:** a gender-fluid person may fluctuate between different gender expressions over their lifetime, or express multiple aspects of various gender markers simultaneously. Gender-fluid individuals may identify as non-binary or transgender, or also identify with their assigned gender.
**Gender identity:** each person's profound internal and individual experience of gender (for example, of being a man, a woman, in between, neither or something else), which may or may not correspond with the sex they were assigned at birth, or the gender attributed to them by society. It includes the personal sense of the body (which may involve, if freely chosen, modification of appearance or function by medical, surgical or other means) and expressions of gender, including dress, speech, and mannerisms.

**Gender expression:** a manifestation of one's gender identity through behavior, mannerisms, interests, appearances, or other forms of expression. With no direct or necessary relation to a person's assigned sex at birth, gender expression can vary throughout a person's lifespan and may or may not match societal expectations about gender roles (Martínez et al., 2020).

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## Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEI</strong></td>
<td>Diversity, equity, and inclusion</td>
</tr>
<tr>
<td><strong>ESG</strong></td>
<td>Environmental, social, and governance</td>
</tr>
<tr>
<td><strong>GNC</strong></td>
<td>Gender non-conforming</td>
</tr>
<tr>
<td><strong>LAC</strong></td>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td><strong>LGBTQ+</strong></td>
<td>Lesbian, gay, bisexual, transgender, and queer people, with the “+” denoting more identities and characteristics that might not be captured by the nomenclature of the “LGBTQ” acronym.</td>
</tr>
<tr>
<td><strong>MDB</strong></td>
<td>Multilateral development bank</td>
</tr>
<tr>
<td><strong>SOGI</strong></td>
<td>Sexual orientation and gender identity</td>
</tr>
<tr>
<td><strong>SOGIE</strong></td>
<td>Sexual orientation and gender identity and expression</td>
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Foreword

Inclusion enables companies to create workplace atmospheres where all workers, regardless of their gender, sexual orientation, gender identity and expression, ethnicity, physical ability, or other aspects of their identity, feel respected and can perform to their fullest potential, helping businesses thrive. Human talent, in all of its diversity and within a culture of inclusion, has great benefits for companies. It boosts innovation, promotes the discovery of new markets, and improves financial results.

In this publication, Pride in Action: A Guide to LGBTQ+ Workplace Inclusion in Latin America and the Caribbean, we do a deep dive into the economic benefits of LGBTQ+ people in the workforce, listing the changes that businesses can implement in their workplace policies, procedures, and organizational values, to expand and improve their guidelines for the benefit of employees and the company.

This study points out how our region is rapidly moving towards a positive attitudinal tolerance, and even acceptance of, the LGBTQ+ community by analyzing the businesses opportunities the private sector has when lesbian, gay, bisexual, transgender, and queer people, or others with diverse sexual orientations and gender identities, are included in the workforce and other parts of the market economy.

One of the highlighted points of this study is that we have a “modern-day business imperative” that is becoming a trend to follow in our countries. The study mentions that “companies are already working with the most accepting and openly gender and sexually diverse people, and if demographic trends hold, this number will continue to grow in the coming years”.

Through specific cases in different countries and sectors, this document shows that Latin America and the Caribbean is on a successful track that will open space for more innovation, employment opportunities, and inclusive and sustainable market outcomes.

The recommendations that you will learn through this document have the potential to impact firm value, employee productivity, and performance, as well as the workplace environment, which could result in higher staff retention and stronger brands.

IDB Invest is committed to supporting companies in our region to be more sustainable and competitive by attracting and retaining the best talent. We provide the right tools, knowledge, and training that allow our clients to grow in this journey.
Executive summary

Around the world, the private sector is becoming a key leader in working toward more inclusive and sustainable economies. As part of this paradigm, it is crucial to ensure that all people—including LGBTQ+ people—can access, contribute to, and benefit from all parts of the business and supply chain ecosystem regardless of their identity. Growing and increasingly robust amounts of data show that—beyond ethical or rights-centered considerations—these efforts result in better business outcomes.

This rationale, or the “business case” for inclusion, is driving an expanding number of companies of all sizes and sectors to consider how to tap into this business potential, particularly when it comes to the LGBTQ+ community.

This report focuses on the business case for LGBTQ+ inclusion. Predicated on the mutual benefit an inclusive workplace and culture brings to companies and people, the business case for LGBTQ+ inclusion shows the multiple ways in which businesses benefit when working to diversify their workforce and include LGBTQ+ people in the workplace and other operations. More and more research indicates that these efforts pay off.

LGBTQ+ inclusion is shown to bring benefits associated with talent retention, increased labor output and productivity, higher firm value and overall profitability, the potential for strong returns on investments, and increased access to a growing customer base.

Furthermore, population estimates point to the significant size of the LGBTQ+ community, raising awareness of its market potential. For example, although quantitative data gaps remain, rigorous research estimates that between 5% and 6% of the population identifies as LGBTQ+. Extrapolated to the entire population of Latin America and the Caribbean (LAC), that equates to 33–39 million people. Which is to say that, if there was a country in the region made up exclusively of LGBTQ+ people, it would be the fifth largest country in LAC after Brazil, Mexico, Colombia, and Argentina.

This report is divided into three parts. Part 1 presents the legal and social landscape of the region when it comes to attitudes toward LGBTQ+ people, rights recognition, and experiences with discrimination and violence, paying particular attention to anti-LGBTQ+ workplace discrimination.

Part 2 focuses on the business case for LGBTQ+ inclusion, specifically regarding hiring practices, talent retention, productivity, and contributions to business outcomes. This section shows that when companies make a purposeful decision to hire LGBTQ+ people and address issues associated with SOGIE (sexual orientation, gender identity and expression) at the workplace, there are clear and positive impacts for employees as well as for employers.
Part 3 is the most actionable and practical part of the report. It is a tool that offers companies a way in which they can actively promote LGBTQ+ inclusion in the workplace and as part of their overall operations. The recommendations outlined are useful for companies of varying size to assess their maturity level in relation to starting or continuing to develop LGBTQ+ inclusion policies and practices. They aim to spark or nurture ongoing conversations about what can be done to advance LGBTQ+ inclusion in the workplace, and to provide concrete, actionable ideas, such as: (i) how to put in place policies and practices to attract LGBTQ+ people, including trans and non-binary talent; (ii) what should be considered part of employee benefits; and (iii) how to handle systems of redress.

To further ground these findings, the report highlights the work that is already being done in the region, providing examples of LGBTQ+ inclusion in different sectors (manufacture, transport, finance, and outsourcing services) in Peru, Mexico, Belize, and Trinidad and Tobago. We also include two interviews that showcase the economic benefits of LGBTQ+ inclusion for a small food service business and a service company in Colombia.
Top Findings

A key aspect when thinking about LGBTQ+ business opportunities in LAC is to consider that attitudes toward LGBTQ+ people and recognition of their rights are not consistent throughout the region. For example, while countries like Argentina, Uruguay, and Colombia are leading the way, others still enforce state-sanctioned methods of exclusion. As a case in point, although all Spanish- and Portuguese-speaking countries in LAC have decriminalized same-sex relations between consenting adults, there are still six countries in the region that criminalize consensual adult same-sex relations. All of these are in the English-speaking Caribbean. Given these disparities, it is essential that, when tapping into the potential of LGBTQ+ talent and markets, companies and entrepreneurs properly inform themselves about local LGBTQ+ laws, policies, regulations, and culture.

LGBTQ+ people routinely face discrimination in the workplace (and beyond), which leads to considerable talent and opportunity loss. An exploratory study about discrimination in the workplace that includes data from Argentina, Brazil, Chile, Colombia, Mexico, and Uruguay (Nodos Argentina et al., 2020) showed that 74.4% of respondents reported harassment, discrimination, or violence in the workplace due to their sexual orientation or gender identity in the last year (Nodos Argentina et al., 2020, pp. 42–43). Almost one quarter of them (23.8%) said this discrimination came from their superiors (Nodos Argentina et al., 2020, p. 55). Given these outcomes, it is not surprising that 46.4% reported that they have not come “out of the closet” in their workplace (Nodos Argentina et al., 2020, p. 53).

Trans people are a particularly vulnerable population with very limited access to job opportunities. A survey from the mayor’s office in Bogotá, Colombia found that 79% of trans people had experienced discrimination in the workplace (Alcaldía Mayor de Bogotá, 2010, pp. 29–30). Within this group, trans women face increased violence and discrimination which leads to tragic outcomes. While the life expectancy of cisgender women (women who are not trans) in the region is 77 years old, the Inter-American Commission on Human Rights has estimated that the life expectancy of trans women is 35 years old, the lowest of any social group (IACHR, 2015b, p. 170).

Even though only 16 out of 33 countries—almost half of the countries in the region—have explicit workplace discrimination protections for LGBTQ+ people (see Annex 1), changes in attitudes toward LGBTQ+ people are rapidly becoming more positive. Age is the biggest driver of this positive attitudinal change. Younger generations are considerably more accepting of LGBTQ+ people than older adults and are much more likely to openly self-identify as LGBTQ+. For businesses, this means that, whether they know it or not, they are already working with the most accepting and openly gender and sexually diverse population in the region’s history. If demographic trends hold, this acceptance and the number of people self-identifying as LGBTQ+ will continue to grow in the coming years.
LGBTQ+ people have considerable purchasing power. In 2016, Credit Suisse used World Bank and other data to find that LGBTQ+ people around the world have as high as US$3.7 trillion collective spending power, or just slightly more than Germany’s GDP that same year (Credit Suisse, 2016). Although there is very limited data available on the purchasing power of this community in the LAC region, in 2017 Forbes estimated that in Mexico alone, LGBTQ+ people generated US$65 billion in consumption (Celis, 2017). There is a significant opportunity for businesses and organizations to tap into the collective purchasing power of LGBTQ+ people and address their specific needs and preferences.

It is important to acknowledge that purchasing power may vary widely within the LGBTQ+ community. Each group has its own nuances and particular challenges. Such is the case of transgender people, who face staggering rates of poverty and vulnerability since they lack proper access to economic and employment opportunities. For example, in a survey conducted by the mayor’s office in Bogotá, Colombia, it was demonstrated that only 5.3% of trans people had ever signed an employment contract (Alcaldía Mayor de Bogotá, 2010, pp. 29–30).

Research from the United States (Pichler et al., 2017) directly captures the impact of inclusive policies for LGBTQ+ people on firm-wide outcomes, showing higher firm value, employee productivity, and overall profitability. For example, for companies with inclusive policies for LGBTQ+ people, the mean firm value increases significantly, resulting in a 21% higher firm value compared to companies with no such policies. There is also a 12.5% increase in profitability for companies with any such inclusive policies when compared to those with none. Research of this nature has not yet been carried out for LAC companies, but it could be argued that there would be similar results if more LGBTQ+ talent was included in the region’s workforce.

More diverse representation on a company’s Board of Directors has a positive impact on businesses, creating a more inclusive and better functioning workplace, as well as increasing sensitivity to (and thus ability to better serve) an ever more heterogeneous customer base.

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1For country-specific information on laws and regulations for the LGBTQ+ community, see Annex 1 or visit ILGA World (https://database.ilga.org/en).
LGBTQ+ affiliated loyalty is a money-making proposition, and it goes beyond personal identity to include family members, friends, and allies. Numerous studies show that an emerging base of consumers are more loyal to brands they perceive to be inclusive. LGBTQ+ consumers are decisively more loyal to companies that are sensitive to their needs (Patel & Feng, 2021; Pichler et al., 2017). But there is also a strong growing base of non-LGBTQ+ consumers, known as allies, that are more likely to buy from a brand that supports LGBTQ+ people (Coqual, 2016), and are also more likely to leave a brand that acts in homophobic ways (Miller & Parker, 2018). This is especially the case with the millennial generation (PwC, 2013; Barton, Koslow & Beauchamp, 2014), representing close to two billion people worldwide.

A call to action: its strongly recommended for readers to review the tool and recommendations on workplace inclusion in Part 3 and to approach them with a growth mentality, rather than a perfectionist mindset. These recommendations are a useful tool to be used by businesses as part of their own unique journey toward a more inclusive and productive workplace, particularly when (i) assessing companywide—including C-suite—commitment to LGBTQ+ inclusion, (ii) defining and implementing actions, (iii) measuring progress, and (iv) communicating results to all stakeholders.

In conclusion, LAC has shown consistent—albeit uneven—improvements in the legal recognition of LGBTQ+ people, and positive changes in attitudes. Moreover, a growing body of research has consistently shown the economic benefits of diversity and inclusion in general, and specifically on the business impact of LGBTQ+ inclusion.

Nonetheless, it is crucial to acknowledge that there is still a considerable journey ahead. The progress made thus far should be celebrated, but none should lose sight of the challenges that persist, particularly for those individuals whose gender expression falls outside the boundaries of what society has traditionally defined as “standard.” Achieving true workplace inclusion requires a collective effort from businesses, policymakers, and society at large to challenge existing biases and norms that hinder the full acceptance and empowerment of LGBTQ+ people. Mainstreaming LGBTQ+ diversity, equity, and inclusion (DEI) by fostering organizational values of understanding, respect, and equal opportunity, can create a future where all employees (regardless of their sexual orientation or gender identity and expression) feel valued, supported, and able to thrive in their professional lives.
Part 1: The Landscape for Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ+) People in Latin America and the Caribbean

Key Points

Few places have made more progress on the rights of LGBTQ+ people over the past few decades than Latin America and the Caribbean (LAC). Same-sex marriage and equal adoption rights, full partner benefits including health care and pension, and non-discrimination statutes have been recognized by several countries in LAC. What is more, some of the most advanced gender identity laws in the world have been passed in the region, particularly in the Southern Cone. However, these legal advances have been highly uneven and present considerable limitations: many of these rights remain notional, and LGBTQ+ people in the region continue to face bias, discrimination, and violence in their daily lives.
Only 16 out of 33 (48%) countries in the region have explicit workplace discrimination protections for LGBTQ+ people.

The significant challenges of violence and discrimination not only affect the personal lives of LGBTQ+ people and their families, they also negatively impact country- and regional-level economic development and entail significant business opportunity losses.

Despite negative attitudes that persist, positive attitudinal change toward LGBTQ+ people is possible and is taking place rapidly in the region (Chaux et al., 2021, p. 18).

Age is the biggest driver of attitudinal change. Younger generations are considerably more accepting of LGBTQ+ people than older adults, and are much more likely to openly self-identify as LGBTQ+.

Whether they know it or not, companies in LAC are already working with the most accepting and openly gender- and sexually diverse population in the region’s history, and if demographic trends hold, this number will continue to grow in the coming years. Incorporating LGBTQ+ diversity and inclusion throughout an organization’s values, benefit packages, processes, and marketing and business growth strategies is therefore a modern-day business imperative.
When it comes to the human rights and inclusion of LGBTQ+ people, Latin America and the Caribbean is a region of contrasts and contradictions. Since the late 1990s, few places have made more progress in adopting and respecting the rights of LGBTQ+ people. Same-sex marriage and equal adoption rights, full partner benefits including health care and pension, and non-discrimination statutes have been recognized by several countries in LAC, such as Argentina, Colombia, Mexico, and Uruguay. What is more, some of the most advanced gender identity laws in the world have been passed in the region, particularly in the Southern Cone. However, these legal advances have been highly uneven and present considerable limitations: many of these rights have not been fully implemented, and LGBTQ+ people in LAC continue to face bias, discrimination and violence in their daily lives.

For example, although almost all Spanish- and Portuguese-speaking countries in LAC decriminalized same-sex relations between consenting adults in the 20th century, there are still six countries in the region that criminalize consensual adult same-sex relations. All of these are in the English-speaking Caribbean. Moreover, while Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Uruguay, and some Mexican states recognize equal marriage, Honduras explicitly prohibited it in its most recent constitutional reform. Overall, in most Caribbean and Central American countries, the rights of LGBTQ+ people remain “fairly under-recognized” (Chaux et al., 2021, p. 6). In contrast, Bolivia, Ecuador, and Cuba’s constitutions explicitly prohibit discrimination on the basis of sexual orientation or gender identity (Farrell, 2021). Furthermore, only 16 out of 33 countries, almost half, in the region have explicit workplace discrimination protections for LGBTQ+ people (Mendos et al., 2020, p. 225).

The Southern Cone, particularly Argentina, has led the way regarding rights for trans people. In 2012, Argentina passed the hemisphere’s first comprehensive gender identity law. In 2018, Chile and Uruguay passed similarly comprehensive laws (Chaux et al., 2021, p. 6). Currently, trans people in Bolivia, Brazil, Colombia, Costa Rica, Ecuador, Panama, Peru, and some Mexican states can also change their name and sex marker on official documents with varying degrees of financial and procedural hurdles. However, sharp contrasts remain. For example, in Costa Rica the administrative procedures to change a person’s name and sex marker are free, and national IDs (cédulas de ciudadanía) and other official documents such as passports have not included a sex marker since 2018 (birth certificates still do). Yet in Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Paraguay, and Saint Lucia, it is not possible to change the sex marker in official documents (Chiam et al., 2019, p. 176).

The landscape in terms of attitudes toward LGBTQ+ people in LAC, as well as the recognition of their rights, is a highly diverse patchwork: “there are very large differences in attitudes toward homosexuality among the LAC countries. Countries in the southern corner of the continent, such as Uruguay, Argentina, and Chile, have the most positive attitudes toward homosexuality, whereas Caribbean countries such as Haiti, St. Vincent and the Grenadines, and Dominica have the most
negative attitudes in the region.” (Chaux et al., 2021, p. 12). Consider the case of equal marriage: while 77% of adults in Uruguay support same-sex marriage, only 4% do so in Haiti (Chaux et al., 2021, p. 33).

These negative attitudes often translate into discrimination and even violence. In fact, Latin America and the Caribbean is one of the deadliest regions in the world for LGBTQ+ people. A study from SinViolencia LGBT—a group of civil society organizations that monitors LGBTQ+ homicides in ten Latin-American countries⁶—found that at least 1,300 LGBTQ+ people were murdered from 2014 to 2019. This is the equivalent of four homicides a day, and one a day in Brazil alone (SinViolencia LGBT, 2019, p. 5). Transrespect versus Transphobia Worldwide (TvT)—an ongoing, comparative qualitative–quantitative research project initiated by Transgender Europe (TGEU) in 2005—confirms this gruesome trend. Data collected in 2021 showed that 70% of all trans murders recorded worldwide occurred in Central and South America, with Brazil alone accounting for 33% of them. The average age of those murdered was 30 years old. (TGEU, 2014).⁷

These statistics help explain why, while the life expectancy of cisgender⁸ women in the region is 77 years old, the Inter-American Commission on Human Rights has estimated that the life expectancy of trans women is 35 years old, the lowest of any social group (IACHR, 2015b, p. 170).

LGBTQ+ people in LAC also face systemic discrimination in education, health care, their family and religious lives, the workplace, and other key areas of their lives.

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⁵ For detailed information about the current state of LGBTQ+ rights recognition for the region, see Annex 1.
⁶ The countries are Brazil, Bolivia, Colombia, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru, and the Dominican Republic.
⁸ ‘Cisgender’ is the word used for people who are not trans. See the “Key Terminology” box on page XX.
Anti-LGBTQ+ Workplace Discrimination in LAC

LGBTQ+ people face significant challenges throughout their lifetime (relating to family life, schooling, health, etc.) which limit their access to equal opportunities, culminating in a diminished capacity when entering the labor market.

This discrimination can be so prevalent, and often multi-dimensional and endemic throughout many sectors, that it is more accurately described as “occupational segregation.” This concept describes the sorting of prospective employees into various parts of the labor market, not based on their merit or skills but rather employer bias and stereotyping—often with economic repercussions (Washington Center for Equitable Growth, 2017). For LGBTQ+ people, this is driven by attitudinal stigma, as well as institutional and legal barriers that do not recognize LGBTQ+ identities and relationships, or that criminalize them (Crehan, et al., 2021).

**LGBTQ+ labor market discrimination can occur at different points in the labor market including:**

> Hiring practices. Conscious and unconscious bias, when intermixed with different forms of individual and institutional discriminatory practices, constitute serious obstacles that keep LGBTQ+ people from entering the formal economy, remaining in the workforce, and achieving their full professional and economic potential.

For example, Peru’s Second National Survey on Human Rights (2019) found that four out of ten respondents said they would not hire a trans person, and three out of ten said the same for LGB9 people (Ipsos, 2019). This is consistent with findings from the 2021 LGBTI National Survey in the Dominican Republic, which reported that “despite having higher levels of education than

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9 Lesbian, gay, and bisexual
the general population average, LGBTI people who completed the survey had higher levels of unemployment relative to the national average” (UNDP, 2021, p. 159).

Workplace Discrimination. Once people are in the workplace, they continue to encounter anti-LGBTQ+ attitudes and receive unequal treatment.

In an exploratory study on discrimination in the workplace that included data from Argentina, Brazil, Colombia, Mexico, and Uruguay, 74.4% of respondents reported experiencing harassment, discrimination, or violence in the workplace due to their sexual orientation or gender identity (SOGI) in the last year (Nodos Argentina et al., 2020, pp. 42–43). Almost one quarter of them (23.8%) said this discrimination came from their superiors (Nodos Argentina et al., 2020, p. 55). Given these outcomes, it is not surprising that 46.4% reported that they have not come “out of the closet” in their workplace (Nodos Argentina et al., 2020, p. 53).

Mexico’s first National Survey on Homophobia and the World of Work in Mexico (ADIL, 2014) revealed that 42% of respondents did not think their workplace was respectful of their SOGIE\(^\text{10}\) (p. 16).

Furthermore, more than one in three LGBTQ+ people (35%) reported that they had been the direct victims of discrimination by their superiors or colleagues. Of those who experienced discrimination, 45% left their job, 17% did not want to go to work, another 17% reported a feeling of isolation, and 13% reported lower productivity (ADIL, 2014, p. 12–13).

A more recent (2021) representative survey by Mexico’s National Institute of Statistics and Geography (INEGI) showed a similar trend. Almost one third (28.1%) of LGBTQ+ workers had faced workplace discrimination in the past year, including unequal access to benefits, being overlooked for a promotion, and hearing homophobic and transphobic “jokes” and remarks (INEGI, 2021, p. 26). Similarly, a survey in Ecuador found that 43.8% of respondents had experienced anti-LGBGTQ+ discrimination in the workplace, and an additional 22% said they had endured workplace violence due to their SOGIE (INEC, 2013, p. 48).

Studies in Colombia relay similar findings. A 2020 study showed that 25% of lesbian, gay, and bisexual respondents said they had been fired from or denied a job due to their sexual orientation, and 40% of transgender respondents reported the same kind of discrimination due to their gender identity (Choi et al., 2020a, p. 31). As this figure shows, job market discrimination is especially salient for trans people.

A survey from the mayor’s office in Bogotá found that 79% of trans people had experienced discrimination in the workplace, 40% were forced to dress and act in a way that did not reflect their gender identity, and only 5.3% had ever signed an employment contract (Alcaldía Mayor de Bogotá, 2010, pp. 29–30).

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\(^\text{10}\) Sexual orientation and gender identity and expression
Although quantitative data gaps on LGBTQ+ people remain, rigorous research from Mexico, the US, and throughout the Caribbean reliably estimate that 5%-6% of the population identify as LGBTQ+—extrapolated to the entire population of Latin America and the Caribbean, that equates to 33-39 million people. Which is to say that, if there was a country in the region made up exclusively of LGBTQ+ people, it would be the fifth largest country in LAC after Brazil, Mexico, Colombia, and Argentina.
These estimates are consistent with a nationwide survey conducted by Mexico’s national statistics office (INEGI) in 2021. The National Survey on Gender and Sexual Diversity found that **5.1% of the Mexican population identify as LGBTQ+** (INEGI, 2021, pp. 12–14). In the US, national data from the Gallup Daily Tracking Survey (2021) found that 5.6% of the population identify as LGBTQ+ (Jones, 2021). Finally, research from 12 countries in the English-speaking Caribbean estimated that upwards of 6% of the regional population were likely LGBTQ+ or same-sex attracted, based on a synthesis of various data from global health institutions and academia. Although, and as explored in the text below, this number is higher when disaggregating by age, with younger cohorts significantly more likely to identify as LGBTQ+ and non-heterosexual and non-cisgender.

**Despite negative attitudes, positive attitudinal change toward LGBTQ+ people is possible and is taking place rapidly in the region. In fact, “in almost every country analyzed, there are more positive attitudes in 2020 than a decade before, not only for adults but also for adolescents”** (Chaux et al., 2021, p. 33). Research also shows that age is the biggest driver of attitudinal change (Chaux et al., 2021, p. 18).

This shift toward more positive attitudes in younger people correlates with increasing LGBTQ+ self-identification. In other words, **younger generations are considerably more accepting of LGBTQ+ people than older adults, as well as being much more likely to openly self-identify as LGBTQ+.**

Even though it is hard to estimate the number of LGBTQ+ people in the region due to the data gaps, the information available consistently shows that the percentage of the population that self-identify with non-heterosexual categories (such as gay, lesbian, bisexual, pansexual, trans, and nonbinary) increases as the respondents’ age group decreases. **That is to say that, as the population gets younger, the number of people who identify as LGBTQ+ grows.**

For example, Mexico’s National Survey on Gender and Sexual Diversity (2021) found that **more than one in 20 Mexicans, or 5.1% of the Mexican population, identify as LGBTQ+** (INEGI, 2021b, pp. 12-14). However, when disaggregated by age cohort, the trend becomes clear: **almost seven out of ten (67.5%) of the five million people who self-identify as LGBTQ+ are between 15 and 29 years old.** This means that 15.6% of people who are in that age range identify as LGBTQ+. In contrast, only 0.9% of respondents aged 60 and over identify as LGBTQ+ (INEGI, 2021, p. 6). Similar patterns were found in Uruguay’s nationally representative school climate survey, which showed high rates of LGBTQ+ self-identification among high schoolers: 12.8% of all students self-identified as non-heterosexual or non-cisgender (Rocha et al., 2019, p. 14).

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1 For more on this topic, see: [https://data.worldbank.org/indicator/SP.POP.TOTL?locations=ZJ](https://data.worldbank.org/indicator/SP.POP.TOTL?locations=ZJ)
This data is consistent with other studies that find that growing self-identification as LGBTQ+ (particularly among the younger population and women) correlates with more favorable attitudes, increasing recognition of rights, and more legal protections, as well as greater access to information, resources, and support through the internet and social media. For example, Gallup polls in the United States find a growing number of millennials (5.8% in 2012 and 8.2% in 2017) and women (from 3.5% to 5.1% in the same years) identify as LGBTQ+ (Urban et al., 2020, p. 18).

To conclude, despite negative attitudes that remain, the limited scope and reach of legal advances, and anti-LGBTQ+ violence and discrimination, **LAC has shown consistent—albeit slow and uneven—improvement in the recognition of LGBTQ+ people’s rights, and positive attitudinal change.** Furthermore, “the region now has the first generation of people who grew up and came of age with many LGBTQ+ rights, protections, and provisions already in place; with strong and highly visible LGBTQ+ movements; and with a much more open discussion of gender and sexual diversity in the public, political, cultural, and social media spheres” (Chaux et al., 2021, p. 8). This new generation is driving cultural, legal, and social change.

Businesses across LAC are now operating in societies that increasingly recognize and protect diversity-related rights (including, but not limited to gender and sexual diversity), and are much more accepting of LGBTQ+ people.

Also, whether they know it or not, companies are already working with the most accepting and openly gender and sexually diverse population in the region’s history, and if demographic trends hold, this number will continue to grow in the coming years. Incorporating LGBTQ+ diversity and inclusion throughout an organization’s values, benefit packages, processes, marketing, and business growth strategies is therefore a modern-day business imperative.

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12 The rise in LGBTQ+ identification does not mean that a growing number of people are “becoming” LGBTQ+. Rather, environments are becoming more accepting, with better laws and legal protections in place, and providing better access to accurate, non-judgmental information about LGBTQ+ identities. In turn, more people (particularly young people) feel safe “coming out of the closet;” that is to say, they are choosing to disclose their LGBTQ+ identity to family and friends, as well as in schools, on official documents and surveys, and in the workplace.
Part 2: The Business Case for LGBTQ+ Inclusion

Key Points

1. Having LGBTQ+ inclusive workplace policies, procedures, cultures and marketing strategies pays off. Tangible benefits include talent retention, increased labor output and productivity, higher firm value and overall profitability, the potential for strong returns on investments, and increased access to a growing customer base.

2. Emerging research suggests a causal (not just correlational) relationship between LGBTQ+ inclusive policies and workplace cultures, and stronger business outcomes. When companies make a purposeful decision to engage LGBTQ+ people, there are clear and positive impacts for employees as well as employers (Pichler et al., 2017).
Research from the United States directly captures the impact of LGBTQ+ inclusive policies on firm-wide outcomes, showing higher firm value, employee productivity and overall profitability (Pichler et al., 2017). For example, for companies with LGBTQ+ inclusive policies, the mean firm value increases significantly, resulting in a 21% higher firm value compared to companies with no such policies (Pichler et al., 2017). There is also a 12.5% increase in profitability for companies with said inclusive policies when compared to those with none (Pichler et al., 2017). This type of research has not yet been carried out for LAC companies, but one could argue that similar results might be found.

The power of an LGBTQ+ customer base is strong:
In 2016, Credit Suisse used World Bank and other data to find that LGBTQ+ people around the world have a collective spending power of as high as US$3.7 trillion. To put this in perspective, this was just slightly more than the GDP of Germany in the same year (Credit Suisse, 2016). Although there is very limited data available on the purchasing power of this group in the LAC region, in 2017 Forbes estimated that in Mexico alone, LGBTQ+ people generated US$65 billion in consumption (Celis, 2017).

More diverse representation on a company’s Board of Directors has a positive impact on businesses, creating a more inclusive and better functioning workplace, as well as increasing sensitivity to (and thus ability to better serve) an increasingly heterogeneous base of customers.

Allies have considerable and growing economic power:
Non-LGBTQ+ consumers are significantly more likely to buy from a brand that supports LGBTQ+ people (Coqual, 2016), and are also more likely to leave a brand that acts in homophobic ways (Miller & Parker, 2018).
The Business Case for LGBTQ+ Inclusion

Predicated on the mutual benefit an inclusive workplace and culture brings to companies and people, the business case for LGBTQ+ inclusion shows the multiple ways in which businesses benefit when working to diversify their workforce and include LGBTQ+ people in the workplace and in their other operations.

This is exemplified by a company’s dedication to introducing better policies and a better workplace culture for LGBTQ+ people, particularly in relation to the hiring process and within the workplace, but also outside of its four walls, such as by increasing engagement with LGBTQ+ entrepreneurs and customers.

Concrete business outcomes include talent retention, increased labor output and productivity, higher firm value and overall profitability, the potential for strong returns on investments, and increased access to a growing customer base.

Key Concepts:

LGBTQ+ Inclusion in the Workplace: Strong Outcomes
This section focuses on the business case for LGBTQ+ inclusion, particularly with regard to hiring practices, talent retention, productivity, contributions to business outcomes, the strength and potential of entrepreneurs, the impact on customers and market share, and the company’s role in the public sphere.

When companies make a purposeful decision to hire LGBTQ+ people and address issues associated with SOGIE, there are clear and positive outcomes for employees as well as employers. Open For Business, a coalition of 37 multinational corporations that work toward LGBTQ+ diversity and inclusion in the workplace, has mapped out some of the ways in which a better LGBTQ+ workplace culture and policies cultivate individual performance as well as the overall performance of business operations. See the breakdown below based on various individual and firm-level drivers (Miller & Parker, 2018).

“Individuals working in open, diverse and inclusive environments tend to perform better” due to greater or improved:

- Authenticity
- Motivation
- Affinity
- Satisfaction
- Health
- Speaking up
- The extra mile
- Individual productivity

“Stronger financial performance flows from the increased ability of LGBT+ inclusive companies to”:

- Attract talent
- Retain talent
- Innovate
- Collaborate
- Improve customer orientation
- Attract LGBTQ+ consumers
- Strengthen their brand

When companies adopt LGBTQ+ inclusive policies and work toward a more open workplace culture, they are very successful in cultivating better outcomes for those employees. In fact, numerous global studies have found strong correlations between an increase in inclusive initiatives and the retention of LGBTQ+ employees, increased labor output, less discrimination, and better worker health (Badgett et al., 2013).
The LGBTQ+ Workplace Equality Index in Peru
Presente, a civil society organization in Peru, launched the country’s first LGBTQ+ workplace equality index in 2018 in order to combat labor market discrimination and to promote more opportunities for the community. To do so, it created a questionnaire for corporations to voluntarily fill out, using the survey tool to ask questions on hiring policies. Questions in the survey include how the corporation recruits LGBTQ+ talent, as well as workplace policies of non-discrimination, the availability of complaint mechanisms for those confronting potential bias or discrimination, whether there are LGBTQ+ employee resource groups, and whether participating companies have made a public commitment to diversity and inclusion. Presente analyzes this data and releases a public list of companies with the highest LGBTQ+ inclusion scores every year.

The index has had a positive impact on the private sector’s appetite for and willingness to adopt more inclusive policies, which has reflected well on Presente’s ability to encourage wider social dialogue. For example, in the first year alone, 74 participating businesses were evaluated and publicly ranked by Presente, leading to 22 of them pledging to adopt better policies in subsequent years.

Additionally, based on the index results, Presente has carried out training and other consulting work with some of the participating companies in order to provide the support they need to continue to work toward more inclusive and productive workplaces.

**Overall, the success of the index has increased Presente’s ability to get business leaders talking about the importance and benefits of LGBTQ+ inclusion, as well as provide the private sector with concrete resources that they can use to implement, advance and monitor their inclusion efforts.**

Furthermore, research shows that these inclusion assessment initiatives ultimately result in substantial benefits for participating companies, since they incentivize the adoption of more inclusive policies, which lead directly to better business outcomes (Pichler et al., 2017; Badgett et al., 2013).

The index results are also driving cultural change within participating companies. As one of the companies who received an evaluation and training from Presente put it: “Thanks to these sessions, I believe that the entire team reached a very important point of reflection on the privileges that some people have in society and why it is essential that we support the inclusion of those who make up the LGBTIQ+ community” (Presente, 2022).
Better conditions for LGBTQ+ staff can lead to improved firm-wide business outcomes (such as those listed in the right-hand column above on page 29). Indeed, more recent research from the United States directly captures the impact of inclusive policies for LGBTQ+ staff onto larger business outcomes, showing higher firm value, employee productivity, and overall profitability (Pichler et al., 2017). Data on 3,100 firms from 1996 to 2009\(^\text{[13]}\) showed that there are significant positive associations between LGBTQ+ inclusive policies and higher firm value, employee productivity, and overall profitability, even after controlling for other factors. For example, one study found an approximately 3% rise in employee productivity over time among companies who adopted inclusive policies for LGBTQ+ staff. Using causality tests based on temporal precedence, for each association researchers established that the LGBTQ+ policies themselves were causing these greater positive benefits for companies (Pichler et al., 2017). This type of research has not yet been carried out for LAC companies, but it is likely that similar results would be found.

Moreover, for companies with inclusive policies for LGBTQ+ staff, the mean firm value increases significantly, resulting in a 21% higher firm value compared to companies with no such policies. In terms of profitability, there has been a similarly strong finding: there is a 12.5% increase in profitability for companies with said policies when compared to those with none (Pichler et al., 2017).

Companies in LAC are paying attention and taking significant steps toward LGBTQ+ inclusion. For example, the Brazilian garment manufacturer, Guararapes Confeccoes SA, has taken a strong stance in supporting transgender employees (Moura, 2019). As one of the largest employers in the state of Rio Grande do Norte in northeast Brazil with over 11,000 workers, the company plays a significant role in the business and economic fabric of the state. Which is significant given that Guararapes says it has hired more than 500 transgender employees and finds they bring talent and commitment to its operations. In fact, in order to attract more transgender workers, the company established inclusive standards for changing gender markers on company IDs and introduced gender-affirming restroom policies (Moura, 2019).

\(^{13}\) Data derived from the MSCI ESG Stats database.
Far-Reaching Implications for Aeroméxico’s Code of Conduct
Based in Mexico City, Grupo Aeroméxico is a multi-billion (US) dollar publicly traded holding company owning a total of six large companies in the airline industry. Notably, this holding company owns and operates Mexico’s principal airline, Aeroméxico, which is internationally renowned and ranked as one of the best airlines for passenger service (AirHelp, 2019), including for its LGBTQ+ customers. In 2022, Grupo Aeroméxico launched a company-wide code of conduct that sets high standards on issues pertaining to ethics and values. It includes diversity, equity, and inclusion (DEI) workplace practices and customer service, and applies to all employees in each subsidiary, as well as to its “suppliers, partners, clients and third parties that act on behalf of the Companies of Grupo Aeroméxico” (Aeroméxico, 2022a).

The code of conduct explicitly prohibits discrimination against any employee based on sexual orientation or gender identity during the hiring process, as well as throughout its workplace operations. Furthermore, all services and products must be offered free of discrimination based on SOGI—meaning that all customers of Grupo Aeroméxico are to be treated equally and without bias.

This is no nominal policy. Aeroméxico has historically supported LGBTQ+ people and adopted inclusive policies. These sustained efforts have made Aeroméxico worthy of top-ranking accolades from the Human Rights Campaign’s workplace equality index in Mexico, HRC Equidad MX. According to this index, Aeroméxico scored 100% on its workplace policies in 2019, meaning they offered equal employment policies without discrimination, allowed a DEI or LGBTQ+ group in the workplace, and have made specific commitments on these issues in terms of marketing, philanthropy, talent attraction and supplier diversity (Human Rights Campaign, 2019).

Aeroméxico has also led the way on inclusive efforts by offering one of the first-ever equal marriage ceremonies in-flight. Before October 2022, five Mexican states did not recognize equal marriage. In June 2022 Aeroméxico launched a campaign called El amor no tiene fronteras (Love Has No Borders) which invited same-sex couples from states where equal marriage was not legal to share their love story and be eligible for an all-expenses paid in-flight wedding in the airspace of a state where equal marriage was legally recognized. Pamela and Lucía, the first couple selected, married in an emotional ceremony at thirty thousand feet, with friends and family celebrating with them from the passenger seats (Aeroméxico, 2022b).

There are two more points worth highlighting about this creative and impactful in-flight initiative. First, it came from Aeroméxico’s LGBTQ+ committee and it was picked up by leadership, not the other way around. It was therefore based on the needs and aspirations of LGBTQ+ staff and their allies and implemented by leadership, not a top-down decision from headquarters. This shows the importance of corporate willingness to listen and be responsive to employee resource groups, and its positive impact on business operations and customer relations.
Second, as pointed out by Xiomara Martín Matos, Aeroméxico’s vice president of marketing and sustainability, El amor no tiene fronteras is not a campaign; it is a commitment, “a social action” (Aeroméxico, 2022b). This is key, since it goes beyond the “one-off” actions that are closer to pinkwashing than to genuine DEI efforts.

Overall, Aeroméxico’s multi-level efforts toward LGBTQ+ inclusion have at least three valuable lessons for the region. **First, by implementing their new code of conduct throughout the company, including its subsidiaries, Aeroméxico is significantly expanding the reach of its inclusion policies, reaching thousands of employees and representatives of the company.** This also includes suppliers, which establishes an expectation of non-discrimination as part of the operations of the SMEs involved in their supply chains.

**Second, Aeroméxico is setting industry-wide standards, particularly for other companies involved in travel, when it comes to inclusion.** They have achieved this by creating a code of conduct that centers on the equal treatment of employees and customers alike, and which establishes more robust expectations for equal treatment and non-discrimination policies in the booming tourism sector—a sector which is still underrepresented in supporting LGBTQ+ inclusion.
Finally, the fact that the code of conduct was created in Mexico and is specific to in-country operations, instead of being based in the United States, Canada, or Europe, sends a strong message that these standards are important to Mexican businesses, as opposed to being “flown in.” Furthermore, due to Aeroméxico’s gravitas in Latin America’s business community, these standards have the potential to set new expectations of equal treatment and non-discrimination, and even become recognized as best practices in a wide range of the region’s industries.
The impact of more diverse and inclusive workplaces can also be seen at the board level. Recent research shows the beneficial outcomes of diversifying the makeup of a company’s board of directors, including by bringing in LGBTQ+ people. In a review of 1,443 companies across 42 countries and over a five-year time period\textsuperscript{14}, it was found that an increase in more diverse boards was linked to fewer negative employee incidents and complaints, as well as fewer negative customer incidents and complaints (Srikant et al., 2020). This suggests that more diverse representation on a company’s board of directors has a positive impact on businesses, creating a more inclusive and better functioning workplace, and increasing sensitivity to (and thus ability to better serve) an increasingly heterogeneous base of customers. This is an especially important point to highlight, since there are so few openly LGBTQ+ people on corporate boards. In fact, recent research shows that “just 26 of the 5,670 (0.5%) board seats in the Fortune 500 are held by openly LGBTQ+ directors” (Catalyst, 2022).

\textbf{LGBTQ+ Entrepreneurs: A promising Business Investment}

Due to the challenges of occupational segregation and labor market discrimination, many LGBTQ+ people turn to entrepreneurship (as well as the informal sector) (iGravity & Dreiliden, 2019; Crehan et al., 2021). This means that \textbf{LGBTQ+ people are likely overrepresented among entrepreneurs, and at the same time, they are often overlooked and under-invested in by angel investors and venture capitalists} (Deutsch et al., 2016).

With this systemic gap in financing for LGBTQ+ entrepreneurs comes a significant opportunity for investors, as emerging research also shows their potential to grow their business and return on those investments.

As this untapped base of entrepreneurs begins to receive investment, signs of success have emerged. FME LGBT (an NGO in Mexico), Viwala (a social impact and fintech in Mexico) and Dreilinden (a global funder) teamed up to launch a pilot initiative investing in LGBTQ+-owned small businesses, providing loans between US$20,000 and US$250,000. Beginning in 2020, and over the course of the global pandemic, Dreilinden and partners have evaluated over 100 LGBTQ+-owned small businesses to find those ready to scale, and ultimately invested in five companies via a revenue-based lending facility, whereby the repayment of the principal as well as interest is linked to revenue generated (Bollier & Dreilinden, 2021). Although the initiative is ongoing, Dreilinden and Viwala are finding positive signs of success from the small businesses in terms of revenue and growth (Bollier & Dreilinden, 2021).

\textsuperscript{14} Analyzed data derives from the Sustainalytics database.
Petunia, Mixing the Love for Baking with the Passion for Inclusion

Bogotá, Colombia
Petunia, Pastries with Love is Andrea Suárez’s response to her two biggest passions: **baking and inclusion.**

For most of her life, Suárez did not think of herself as a baker, an advocate, or an entrepreneur. However, she loved baking and had been doing it for years, selling cakes, brownies, and other sweets out of her own home. Through her public sector jobs, she had also become keenly aware of the multiple barriers faced by diverse populations—particularly trans women—and had grown increasingly frustrated with institutional responses to these issues, especially when it came to work opportunities.

In 2017, Suárez decided it was time to do something about both situations. She took a leap of faith and opened Petunia, a bakery that explicitly prioritizes the hiring of trans women.

“Everyone thought I was crazy. They would say things like, ‘If you hire trans people no one is going to go! Colombia is a very conservative country; you will go bankrupt!’ However, the people who said that did not know a single trans person,” says Suárez.

But Petunia’s clear stance on inclusion did not generate the feared backlash; to the contrary, it is now a key part of its value proposition. Petunia did not go bankrupt. It survived a worldwide pandemic, and is thriving. Suárez started small, just herself and two trans women. The business—which continues to prioritize the hiring of LGBTQ+ (particularly trans) people—now has 15 employees, and is looking to expand to two more locations.

The learning curve, however, was steep. “I had no previous business experience, I didn’t know anything, I thought I was just going to make cakes and sell them,” says Suárez. She’s also learned a lot from strategic partners like the GAAT (Grupo de Acción y Apoyo a Personas Trans), one of Colombia’s leading trans organizations; and has ideas about how both the private and public sectors could more actively support the incorporation of trans people into the formal economy.

For example, Suárez thinks **private sector actors could work with local LGBTQ+ chambers of commerce and with trans organizations like the GAAT to support or create tailored professional skill development programs.** This would expand trans people’s work opportunities, and provide the business community with a talent pipeline of trained and highly motivated collaborators.

Suárez also foresees **potential strategic partnerships with the public sector.** For example, due to systemic discrimination, particularly in education, many trans people from marginalized backgrounds may require additional training periods. Suárez envisions public grants that pay part of an employee’s salary or benefits (which are mandatory in Colombia) while they complete skill-building programs in order to alleviate the financial burden on employers, which is particularly onerous for small businesses.

**Andrea Suárez**  
*(Creative Director) in discussion with the authors, August 2022.*
Companies are increasingly discovering the lucrative spending power of LGBTQ+ people and their allies, and are thus adapting to that emerging market through targeted ads, goods, and services. For some companies, a growing number of customers are expecting them to better signal support on a number of social and human rights issues, including on behalf of LGBTQ+ people. Brand messaging and dedicated efforts by companies that show support is quite effective for sustaining and building customer revenue (International Finance Corporation, 2022).

LGBTQ+ spending power is significant and growing. LGBTQ+ people around the world have as high as US$3.7 trillion collective spending power. This is slightly more than Germany’s GDP in the same year (Credit Suisse, 2016). Another study found that LGBTQ+ spending power in the United States was US$917 billion in 2016, roughly 5% of the country’s GDP (Witeck, 2016). Although there is very limited data available on the purchasing power of this group in the LAC region, in 2017 Forbes estimated that in Mexico alone, LGBTQ+ people generated US$65 billion in consumption (Celis, 2017). There is therefore a significant opportunity for businesses and organizations to tap into the collective purchasing power of LGBTQ+ people and address their specific needs and preferences.
Numerous studies have also shown that an emerging base of consumers are more loyal to brands that they perceive to be inclusive. LGBTQ+ consumers are decisively more loyal to companies that are sensitive to their needs (Patel & Feng, 2020; Pichler et al., 2017). But there is also a strong and growing base of non-LGBTQ+ consumers that are watching how companies act on LGBTQ+ issues, and are increasingly deciding which goods and services to consume based on their allyship. In fact, research shows that non-LGBTQ+ consumers are more likely to buy from a brand that supports LGBTQ+ people (Coqual, 2016), and are also more likely to leave a brand that acts in homophobic ways (Miller & Parker, 2018). As found by PwC and the Boston Consulting Group, this is especially the case with the millennial generation (PwC, 2013; Barton, Koslow & Beauchamp, 2014), representing close to two billion people worldwide.
In 2016, the landmark ruling on Caleb Orozco vs The Attorney General of Belize led to the decriminalization of same-sex sexual acts. In spite of this, the country still has very few legal protections for LGBTQ+ people. Furthermore, years of systemic and state-sanctioned discrimination compounded by significant social stigma have created enduring barriers to services, including significant wage gap disadvantages such as earning on average 11% less than the general population (Crehan, et al., 2021). Yet promising practices have emerged from the private sector that promote the inclusion of LGBTQ+ people.

For example, RF&G Insurance, Belize’s largest insurance company, and a family-owned business, has made concerted efforts and established standards to ensure that its insurance services can be accessed by LGBTQ+ people, and that SOGIE-based stigma does not impact staff’s economic analysis when evaluating prospective customers.
According to its management, and following strict guidance from its founder and president, its staff are required to give all people the same consideration when engaging in risk analysis, explicitly prohibiting the use of stigmatized characteristics to influence their evaluation when determining insurance premiums. Specifically, **RF&G’s employees cannot consider SOGIE as inherent risk factors that would cause a denial of service or rise in premiums.** This clear leadership stance and the company’s implementation guidelines removed a major mechanism of exclusion for LGBTQ+ people who often find it very difficult to be approved for key financial security services such as different forms of insurance, or find prices too high for them, making the services inaccessible for many LGBTQ+ people and their families.

Furthermore, RF&G’s policies have expanded access to a larger base of consumers, which creates a strong business rationale for equal treatment and inclusion and their resultant better business outcomes.

RF&G’s efforts provide an example of emerging best practice for at least three reasons.

**First,** around the world there is still considerable stigma when LGBTQ+ people try to access financial services, including insurance (Valfort, 2017; World Bank, 2018). Having clear and explicit guidelines that counter (conscious or unconscious) anti-LGBTQ+ bias expands access to an important financial security tool for LGBTQ+ people and their families. This supports economic self-reliance through the formal economy, reduces risk of short- and long-term government assistance, and expands a company’s customer base.

In other words, it benefits companies, public finances and LGBTQ+ people.

**Second,** it is a clear example of a local company leading the way in incorporating inclusion into its core business practices. Often, LGBTQ+ inclusion efforts take place within large multinational companies based in the Global North. This can reinforce the misconception that LGBTQ+ inclusion is a foreign imposition and contrary to local values. RF&G Insurance shows that this is not the case. In a country still facing endemic anti-LGBTQ+ sentiment, a local and family-owned company is leading the way in showing that LGBTQ+ inclusion is not necessarily contrary to local and family values, and that it is both the right and the smart thing to do from a business perspective.

**Finally,** this business-driven rationale can be used by LGBTQ+ advocates or businesses when in dialogue with their government in order to pass more inclusive policies, such as the Equal Opportunities Bill, which is now before the Belizean Parliament.
Yet even with the strong estimated spending power of LGBTQ+ (and allied) consumers, research shows that this demographic is not wholly accessible for most businesses. This represents significant revenue loss for companies and economies alike. For example, recent research in 12 countries across the Caribbean points to a link between the perception of a destination country’s treatment of LGBTQ+ people and the number of international tourists visiting the region. In a survey of 1,435 (predominantly LGBTQ+) prospective tourists to the region, close to one in five respondents (18%) would not visit the Caribbean due to their not feeling safe traveling to a region that has discriminatory laws against them. In economic terms, it is estimated that up to 0.93% of regional GDP is lost as a result of lost revenue from these tourists. This shows that anti-LGBTQ+ bias and laws are costly to economies, as well as to companies that are tied, whether directly or indirectly, to tourism in the Caribbean (Crehan, et al., 2021).

The same research also shows that even those who would visit the Caribbean are significantly more concerned about traveling there (compared to traveling elsewhere), which can alter their experience in destination countries, and make them less likely to spend money in local economies and with local businesses (Crehan, et al., 2021). In a region where 14% of its collective GDP is associated with tourism, and for companies that are emerging from the global pandemic with the hope of reaching new global audiences, this reduced access to customers represents significant lost costs (Crehan, et al., 2021).

Yet it also represents a great opportunity for companies to develop dedicated strategies catering to LGBTQ+ concerns and needs, and thus create a stronger, more inclusive brand. Not only would this help access the significant spending power of LGBTQ+ consumers, it would also help reach a growing base of allied consumers.
Jessica Maria Useche is a Colombian trans woman who finds call centers a great place to work, for herself as well as other LGBTQ+ people, due to their inclusive policies and culture. As she explains, “at the call center it does not matter how you look, what clothes you wear, what music you like. At the call center, all that matters is the work you do.”

For call centers, the focus on respect and inclusion is a business imperative. As Useche explains, call centers require large numbers of agents to drive operations, meaning that they need continual access to a large talent pool.
“That is why respect is a key company policy. Respecting everyone, supporting people, is good business because it allows them to successfully recruit a larger number of people who are committed to their work because they know it’s one of the few places where they can express themselves freely.”

Furthermore, call centers have three characteristics that make them highly appealing for trans women, as well as a range of other workers who have traditionally been disregarded by other sectors: (1) they provide flexible work hours; (2) they require relatively low qualifications (i.e. high school diploma and conversational proficiency in English); and (3) since the pandemic, home offices have become standard, with companies providing connectivity, technological and equipment support for workers.

Still, Useche thinks companies could do more to recruit and retain trans talent, in three ways. First, most trans—and LGBQ+ people—only learn about these accommodating work opportunities through friends or acquaintances. Since there are no formal efforts from companies to recruit LGBTQ+ people and others, they do not holistically benefit from a diverse and highly motivated talent pool and pipeline. Instead, companies could formalize partnerships with trans organizations, and strategically advertise job postings in spaces, websites and publications frequented by and relevant to local trans communities.

Second, because many trans women have experienced discrimination, harassment, and disrespect when applying for jobs, many do not think they will be impartially considered for a position in the formal sector. “I would have never applied if a friend did not assure me that I would be treated with respect,” says Useche. Including language that encourages LGBTQ+ people to apply (and for trans women in particular), signals to talented LGBTQ+ people that they are valued and welcomed.

Finally, due to the systemic discrimination faced by trans women, many have not had access to educational opportunities, making it difficult to learn other languages like English. Partnering with organizations to provide opportunities to improve English language proficiency would contribute to recruitment and retention goals.

For Useche, these efforts would pay off. “It would be a win-win: call centers would be able to hire and retain more agents to meet their clients’ needs; and trans people would get the well-paid formal sector jobs they also need, and deserve.”

Jessica Maria Useche
(bilingual call center agent and LGBTQ+ activist) in discussion with the authors, September 2022.
LGBTQ+ inclusion in the workplace is not about special benefits or privileges. Like all other diversity, equity, and inclusion (DEI) practices, it is guided by an expectation of fairness, consistency, and respectful interactions (Woods, 2011, p. 2). It is about ensuring non-discrimination, and fostering team and relationship building so that everyone can develop their talents and skills for their own benefit as well as the company’s benefit (Woods, 2011, p. 3).

The chart below offers a list of questions and general recommendations to help companies of varying sizes assess their maturity level in relation to starting or continuing policies and practices of LGBTQ+ inclusion. The list is a compilation of recognized corporate best practices and standards, as well as questions taken from some of the region’s most respected LGBTQ+ inclusion indices, such as Presente’s index for Peru.

The idea is that the questions and recommendations outlined: (1) spark or nurture ongoing conversations about what can be done to advance LGBTQ+ inclusion in the workplace in order to fully take advantage of the many associated business benefits; and (2) provide concrete, actionable ideas.

The questions and recommendations range from initial initiatives (such as explicitly recognizing LGBTQ+ people in corporate diversity statements) to more advanced
interventions (such as setting up gender-neutral bathrooms) so that each company can identify and decide which ideas are more appropriate based on their size, composition, and maturity level in terms of LGBTQ+ issues and other considerations.

It is encouraged that businesses and companies approach these questions and recommendations with a growth mentality, rather than a perfectionist mindset; and use them as input in their own journey towards a more inclusive and productive workplace. It is also recommended that companies follow a framework to: (i) assess formal commitments from leadership on the inclusion of LGBTQ+ people, (ii) define and implement actions, (iii) measure progress, and (iv) communicate results to all stakeholders.
Accessing the talent pool, CV/resume, job application and interview process

**Employee Attitudes**

- Ensure your company is ready to treat LGBTQ+ applicants with respect and objectively evaluate them.

- Ensure that staff conducting interviews, are comfortable interacting with diverse applicants, including LGBTQ+ candidates.

- Provide mandatory training for hiring committees on implicit bias, inclusive hiring processes, or other topics aimed at securing a fair process and mitigating possible anti-LGBTQ+ biases.

**Institutional Practices and Policies**

- Attempt to reach a broad and diverse range of potential talent by ensuring job postings make it to formal and informal networks of applicants.

- Introduce a specific company-wide policy against discrimination that is inclusive of SOGIE to the hiring process.

- Ensure your company’s job posts include diversity and equity statements that explicitly mention LGBTQ+ people.

- Openly encourage talent from historically marginalized populations, including LGBTQ+ talent, to apply for open positions.
Trans and Nonbinary Talent

Employee Attitudes

- Offer company-wide training that educates the workforce on LGBTQ+ (and particularly trans) issues, clarifying doubts and challenging stereotypes. This is key to promoting a stigma-free and inclusive workplace culture.

- Offer training for HR professionals so that they understand and are sensitive to the multiple challenges faced by trans and non-binary employees. This is key to having HR professionals able and willing to work with each individual in order to complete pertinent administrative and legal processes and requirements, while ensuring confidentiality and treating everyone with respect.

- Consider creating “safe spaces” for trans and non-binary workers (and all LGBTQ+ workers) to signal that diverse voices and experiences are welcomed.

- Another established good practice is to normalize preferred pronouns. Encourage everyone (not just trans or non-binary collaborators) to add their pronouns to their work signatures, and next to their names in conference calls.

Institutional Practices and Policies

- Does your company recognize employees’ gender identity fully?

- A person’s gender identity may not coincide with their sex assigned at birth. It is therefore common that a trans person’s documentation (such as their birth certificate, university diplomas, etc.) may not coincide with their current name and gender identity. Allow for name differences, if needed.

- Offer employees the option to: (1) use their preferred name and pronouns in all documents, communications, forms, events, etc. (for example, company IDs, emails, etc.); (2) dress according to their gender identity, not their assigned sex at birth; (3) secure restroom accessibility.

- Ensure employee directories, name tags, IDs, and all other company documents use employees’ preferred name and pronouns (which, again, may or may not coincide with official documents).

- Avoid asking about sex or gender in administrative forms where this information is not relevant. When necessary, make sure you do so through a two-tier process. First, ask about sex assigned at birth (“sex”), and in a separate question, ask the person’s gender identity. Also, make sure you have non-binary options in all forms (including job application forms and onboarding documents).
Employee Benefits

Employee Attitudes

- Provide training to staff in charge of negotiating, or disseminating, workplace benefits so that LGBTQ+ workers can access these without discrimination or bias.

Institutional Practices and Policies

- Ensure your company has a policy against offering less pay for the same work based on identity categories, including those relating to LGBTQ+ workers.

- Offer inclusive benefits, such as:
  - Domestic-partner and spousal benefits for all employees, irrespective of their SOGIE
  - A family-leave policy that treats all parents equally
  - Health insurance and leave benefits that include support for families formed through adoption or surrogacy
  - Health insurance\(^{15}\) that covers hormone therapy and gender-confirmation surgery for employees seeking to transition, and medical leave for colleagues who are transitioning

\(^{15}\) Depending on the country and context, laws and policies may limit or delay the provision of health insurance services to LGBTQ+ people.
The Workplace

**Employee Attitudes**

- Provide training periodically, consistently, and innovatively (i.e. change the format)—and across responsibility and hierarchy levels, areas, and processes (from onboarding on)—on the importance of diversity, equity, and inclusion, with explicit reference to LGBTQ+ inclusion.

- Employee training—including during onboarding—can decrease the frequency of microaggressions, root out unconscious bias, promote respect toward LGBTQ+ colleagues, and equip employees to recognize and respond to inappropriate behavior. (Bailinson et al., 2020)

- Make sure company training explains and is sensitive to the different identities, experiences, and challenges within the LGBTQ+ community, and includes an intersectional approach that accounts for the impact of social categories such as gender, race, country of origin and residence, religion, disability, HIV status, etc.

**Institutional Practices and Policies**

- Ensure your company has an official and well-known DEI policy inclusive of SOGIE. Make sure it protects LGBTQ+ employees from discrimination, harassment (verbal or physical), bullying, or targeting by others, and offers equal access to the company’s services.

- Explicitly articulate organizational values and expectations in relation to inclusive workplace behavior, which includes respect for and equal treatment of LGBTQ+ colleagues and communities.

- Offer employee resource groups (ERGs), including ones specifically for LGBTQ+ staff and their allies.
**Employee Attitudes**

- Ensure that potentially negative attitudes toward LGBTQ+ workers do not impact their evaluations or ability to advance.

- Make sure all managers receive periodical and consistent LGBTQ+ sensitivity and awareness training, including on how SOGIE may impact performance evaluations, unequal advancement opportunities, etc.

**Institutional Practices and Policies**

- Have senior managers serve as mentors to members of employee resource groups, including the LGBTQ+ group.

- Consider making leadership roles in employee resources groups (ERGs)—or other internal/external DEI initiatives—part of their work plan and/or consider providing them with incentives or raises for performing these roles.

- Have an explicit policy prohibiting SOGIE-based discrimination in evaluations or when considering promotions.
Systems of Redress

**Employee Attitudes**

Ensure ombudspersons or staff in leadership positions have the competence or awareness to listen to, and resolve incidents raised by LGBTQ+ workers, and that this process is free of judgment and biases.

**Institutional Practices and Policies**

- Consider having a chief diversity officer, with LGBTQ+ inclusion as part of their explicit mandate. Or an ombudsperson who can safely talk to LGBTQ+ workers experiencing challenges.

- Ensure that LGBTQ+ workers can report incidents of possible anti-LGBTQ+ discrimination or harassment. Protect those who report incidents from retaliation and revictimization.

- Have clear and safe policies and procedures in place to investigate, sanction, and redress incidents of possible anti-LGBTQ+ discrimination or harassment.

- Feel free to check [IDB Invest Environmental and Social Sustainability Policy](#) for information on grievance mechanisms and reprisals, among other social aspects.
Define what success in terms of LGBTQ+ inclusion means for your company. Establish clear and achievable benchmarks based on this goal. Make sure incentives are aligned with this goal throughout the company. Remember that all workers need to prioritize how they spend their resources, including time. If people are not being rewarded for doing DEI work (which is very often the case) they will not do it, or will not take it seriously. Take consistent action. Monitor progress. Adjust your action plan accordingly.

Incorporate accountability for LGBTQ+ workplace climate and inclusion across responsibility levels by including LGBTQ+ specific DEI goals in managers’ performance indicators.

Make sure that all data collection efforts adequately protect LGBTQ+ people and their personal data.
In the Public Sphere

Employee Attitudes

- Consider being more active “agents of change” in the public sphere. Understand the context in which you operate, and engage in dialogue with LGBTQ+ civil society.

- Openly commemorate key LGBTQ+ events such as Pride month; the International Day Against Homophobia, Biphobia and Transphobia; and the Transgender Day of Remembrance, for example.

Institutional Practices and Policies

- Publicly support LGBTQ+ equality and inclusion.

- Sponsor and participate in events, campaigns, networks, and other efforts to support LGBTQ+ talent and communities.

- Tap into the buying power of LGBTQ+ clients. In other words, does your company cater to the interests and needs of LGBTQ+ clients?
Although the High Court of Justice struck down the legal ban on same-sex sexual acts in Trinidad and Tobago in 2018, there are very few legal protections for LGBTQ+ people in the country, including non-discrimination laws based on SOGIE.

Yet, there are great advances between LGBTQ+ organizations and private sector actors. In partnership with the Chamber of Commerce and the Equal Opportunity Commission, the organization CAISO: Sex & Gender Justice produced a model LGBTI+ workplace policy in 2021. The policy seeks to “provide a practical set of guidelines for appreciation of and respect for diversity and thus the creation of an all-embracing and productive environment for all employees” (CAISO, 2022). With a predominant emphasis on the workplace, the policy focuses on:

Cultivating Voluntary Company Policies in Trinidad and Tobago
Discrimination and harassment
Privacy
Workplace benefits and worker assistance programs
Training
Records, names and pronouns
Dress code
Complaints
Restroom accessibility
Diversity champions and employee resource groups
Gender-affirming surgery

Since its launch, there has been support from companies as well as government agencies that is predicated on the business case for LGBTQ+ inclusion. As one of the policy’s supporters said: “Supporting LGBT+ equality is not only the right thing to do, it also makes business sense. This is an important step to creating a safer, fairer, more productive working environment for all, and an opportunity to change the workplace culture for the better in Trinidad and Tobago” (CAISO, 2022). In its first year alone, the policy has been adopted by 14 companies, predominantly SMEs, with additional support from the country’s Equal Opportunities Commission, the British High Commission, the Chamber of Commerce, and civil society (Lindo, 2021).

Overall, this presents at least three emerging best practices for companies in LAC.

First, since the policy was created by an organization with technical and localized expertise, this means it focused more on domestic LGBTQ+ challenges and business interests, ideally leading to catered solutions and a greater impact for both LGBTQ+ people and companies.

Second, its creation at the national level means that the policy focused more on the operations of SMEs as opposed to over-representing the interests of multinational companies. This has thus filled a large knowledge and programmatic gap, as SMEs are often overlooked in comparable LGBTQ+ workplace policies around the world.

Finally, and by virtue of the support provided by the Chamber of Commerce and Equal Opportunities Commission, the policy and corresponding guidelines could be brought into alignment across sectors, and was also given more credibility, increasing the support from companies.
Conclusion

Latin America is one of the regions in the world that has made some of the most progress on the rights of LGBTQ+ people in recent decades. Despite the negative attitudes that persist, attitudes in the region toward LGBTQ+ people are rapidly changing and becoming more positive (Chaux et al., 2021, p. 18).

Moreover, while only 16 out of 33 countries in the region have explicit workplace discrimination protections for LGBTQ+ people, more and more companies in LAC and around the world are aware of, and motivated by, the business case for LGBTQ+ inclusion.

Five key takeaways emerge as perhaps the most salient points for companies as they work on advancing LGBTQ+ inclusion:
Predicated on the mutual benefit an inclusive workplace and culture brings to companies and people, the business case for LGBTQ+ inclusion shows the multiple ways in which businesses benefit when working to diversify their workforce and include LGBTQ+ people in the workplace and their other operations. This is exemplified by companies’ dedication to advancing better policies and improving workplace culture for LGBTQ+ people.

LGBTQ+ inclusion brings significant benefits associated with the talent retention, increased labor output and productivity, higher firm value and overall profitability, the potential for strong returns on investments, and greater access to a growing customer base.

Companies can actively begin to foster LGBTQ+ inclusion in their operations, especially if they take measures to examine both attitudes and institutional policies and practices in relation to: the hiring process (seeking a larger talent pool, the CV/resume and interview process), human resource policies, employee benefits, the workplace, talent retention and growth, systems of redress, monitoring and evaluations, and working in the public sphere.

Numerous examples are emerging across LAC showing why, and how, employers of various sizes and sectors are working toward LGBTQ+ inclusion. This report looks at only a handful.

Businesses across LAC are now operating in societies that increasingly recognize and protect diversity-related rights (including, but not limited to gender and sexual diversity), and are much more accepting of LGBTQ+ people. Whether they know it or not, companies in LAC are already working with the most accepting and openly gender and sexually diverse population in the region’s history, and if demographic trends hold, this number will continue to grow in the coming years. Incorporating LGBTQ+ diversity, equity, and inclusion throughout organizational values, benefit packages, processes, and marketing and business growth strategies is therefore a modern-day business imperative.
In conclusion, LAC has seen consistent—even if uneven—improvement in the recognition of rights for LGBTQ+ people, as well as positive changes in attitudes. At the same time, a growing body of research has consistently shown the economic benefits of diversity and inclusion in general, and of LGBTQ+ inclusion in particular. Nonetheless, it is crucial to acknowledge that there is still a considerable journey ahead. The progress made thus far should be celebrated, but we must not lose sight of the challenges that persist, particularly for those individuals whose gender expression falls outside the boundaries of what society has traditionally defined as “standard.”

Achieving true workplace inclusion requires a collective effort from businesses, policymakers, and society at large to challenge existing biases and norms that hinder the full acceptance and empowerment of LGBTQ+ people. Mainstreaming LGBTQ+ diversity, equity, and inclusion (DEI) by fostering organizational values of understanding, respect, and equal opportunity, we can create a future where all employees, regardless of their sexual orientation or gender expression, feel valued, supported, and able to thrive in their professional lives.
Annex 1 – LGBTQ+ Laws and Protections by Country

This annex provides a comprehensive table that outlines some of the existing laws and protections for LGBTQ+ people across the countries of Latin America and the Caribbean. The table serves as a valuable resource for understanding the legal landscape and the progress made in ensuring the rights and protections of LGBTQ+ communities in the region. It highlights key information such as anti-discrimination laws, same-sex marriage and civil union legislation, gender identity recognition, and other relevant legal frameworks. This summary aims to contribute to the broader conversation on the rights for LGBTQ+ people, promoting awareness and fostering discussions on advancing equality and inclusion throughout the region.

Please note that these laws are constantly changing and this information could therefore quickly become outdated. The information below should thus be considered a snapshot of the LGBTQ+ protections and recognition in the LAC region as of April 2023. For country-specific and up-to-date data, visit the ILGA World Database (https://database.ilga.org/en).
<table>
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<th>ST. VINCENT &amp; THE GRENADINES</th>
<th>SAINT LUCIA</th>
<th>TRINIDAD AND TOBAGO</th>
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16 General laws that provide protection from discrimination and violence.
17 Laws that make it illegal to discriminate against LGBT people at work or deny them employment based on their sexual orientation and/or gender identity.
18 A law that recognizes and protects the rights of trans people.
19 Only two states, Querétaro and Michoacán, prohibit hate crimes.
20 Only 13 Mexican states allow changes in sex markers on official documents: Mexico City, Coahuila, Colima, Chihuahua, Hidalgo, Jalisco, Michoacán, Nayarit, Oaxaca, Quintana Roo, San Luis Potosí, Sonora, and Tlaxcala.
### South America

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21 Argentina and Uruguay ban mental health professionals from carrying out so-called “conversion therapy,” but others, such as religious leaders and non-certified coaches or therapists, are not explicitly banned from this.
22 Paraguay’s constitution explicitly prohibits equal marriage.
23 See footnote 21.
## Central America

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<th>PROTECTIONS</th>
<th>BELIZE</th>
<th>COSTA RICA</th>
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*In Costa Rica there are no sex markers in official documents.*
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