

LGBTQ+ Americans feel they are just getting by in retirement and face greater financial risks

October 4 2023, by Marc Cohen, Jane Tavares and Molly Wylie

Retiring for all the wrong reasons

Of the survey respondents who reported being forced into retirement, LGBTQ+ retirees were more likely to cite illness or economic factors outside of their control as the cause.

LGBTQ+ retirees who were forced into retirement	Non-LGBTQ+ retirees who were forced into retirement
Due to lack of available work	18% 11%
Due to health problems	30% 24%
Due to reaching standard retirement age	46% 50%

Source: NCOA and UMass analysis of the Federal Reserve's Survey of Household Economics and Decisionmaking, 2022 · Created with Datawrapper

Credit: The Conversation

While preparing for retirement can be difficult for anyone, LGBTQ+ Americans face unique challenges that can cast a shadow over their golden years. For example, LGBTQ+ people over age 60 leave the workforce sooner, are less likely to believe that their retirement savings

are on track and struggle more to pay medical bills than their straight and cisgender counterparts. They're also twice as likely to report having experienced discrimination in the past year.

These findings are based on [our analysis](#) of data from the the Federal Reserve Board's annual [Survey of Household Economics and Decisionmaking](#), or SHED. We used data from 2019 to 2021 to compare the nearly 500 LGBTQ+ respondents age 60 and older with their cisgender counterparts.

When asked how they were managing financially, most older LGBTQ+ adults considered themselves to be either "living comfortably" or "doing OK." However, they also said they faced big economic challenges that could threaten their long-term well-being.

For example, they had a harder time affording [dental care](#). Significantly fewer LGBTQ+ respondents said they owned their home, which means they have less opportunity to build equity that can be used later in life.

Retired LGBTQ+ respondents were somewhat younger and more likely to leave the workforce for reasons other than reaching traditional retirement age. In fact, nearly 1 in 3 retired because of [health problems](#), 1 in 4 retired because of disliking their work, and almost 1 in 6 said they were forced to retire. Far smaller shares of straight and cisgender respondents reported similar outcomes—for example, only 1 in 9 said they were forced to retire.

We also found that a greater percentage of older LGBTQ+ adults had annual incomes under \$25,000 compared with their straight and cisgender counterparts—15% versus 12%.

Finally, a bigger share of LGBTQ+ [older adults](#) said they had trouble paying bills like their rent or mortgage, and many more relied on

government food and housing assistance programs compared with non-LGBTQ+ older adults.

Why it matters

How older LGBTQ+ adults fare during their later work years and in retirement is an issue of growing importance, since the overall LGBTQ+ population has reached an estimated [20 million](#), or nearly 8% of all American adults. Many [younger people](#) who identify as LGBTQ+ experience discrimination, whether [on the job](#) or in their [access to health care](#), which can have repercussions later in life.

People identifying as LGBTQ+ are significantly more likely than non-LGBTQ+ [respondents](#) to experience bias while receiving or even scheduling medical care. This is consistent with other research showing that LGBTQ+ adults are more likely to report that their [health care provider doesn't believe them](#), often blames them personally for having a health problem and dismisses their concerns. Not surprisingly, such discrimination can and does lead to [needless sickness](#) and even early death.

Prejudice is also common in the workplace: According to a [Nationwide Retirement Institute report](#), half of LGBTQ+ employees personally experienced or witnessed anti-LGBTQ+ comments at work, which, together with other forms of discrimination, can lead to fewer advancement opportunities and pay gaps.

What still isn't known

[Recent research](#) shows that most [older Americans can't afford](#) their share of health care costs or long-term care. In fact, 80% of adults age 60 or older lack the savings needed to pay for more than two years in a

nursing home and would not be able to absorb a financial shock such as a major illness or home repair.

For older LGBTQ+ [adults](#), who experience greater levels of discrimination and have fewer financial resources than their straight and cisgender counterparts, the proportion of those who couldn't afford later-life expenses would surely be higher. Yet researchers still don't know how this population fares when faced with potential financial shocks or the need for long-term care.

For example, given that LGBTQ+ people are [less likely to have spouses or relatives](#) to serve as their caregivers, are they able to pay for long-term care if needed? Are they more likely to have to rely on institutional care rather than aging at home like their straight and [cisgender](#) counterparts? These and other questions require further study.

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