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These 3 unique challenges have an 'overarching effect' on LGBTQ people's finances

Published Fri, Jun 30 2023 • 12:58 PM EDT •

Updated Fri, Jun 30 2023 • 4:02 PM EDT



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As Pride month comes to an end, businesses across the country —

including financial institutions — will put their parade floats in storage and retire the rainbow-colored versions of their logos.

But for millions of LGBTQ Americans and their families, there's no going back to "business as usual." The challenges unique to the queer community are present year-round.

Cultural and structural hurdles make financial life harder for LGBTQ Americans, says John Schneider, who runs queer-focused personal finance site [Debt Free Guys](#) with his husband David Auten.

"David and I like to say that 80% of personal finance is the same for everybody. A dollar for you is the same as a dollar for me. That's the finance in personal finance," he says. "But the other 20%, which is the personal side of personal finance, is based on our backgrounds, our

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histories, our socioeconomic status, race, creed, segmentation, all of that.”

That 20% can have an “overarching effect” on the remaining 80%, Schneider says. “It means that we’ll likely have different outcomes despite a lot of the same variables. And for the LGBTQ community, there are some variables that are unique to us relative to other demographics.”

Here are three unique financial challenges queer people face, and how LGBTQ-focused financial planners say they can overcome them.

1. LGBTQ people earn less and often pay more to live

Even if personal finance was merely a matter of dollars and cents, LGBTQ people find themselves at a disadvantage compared with their non-queer peers. On average, LGBTQ workers earn 90 cents for every dollar a non-queer worker earns, according to the Human Rights Campaign.

The gap widens for non-binary and

5

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genderqueer folks, who earn 70 cents on the dollar. Transgender men and women earn 70 and 60 cents, respectively.

But even as they earn less, many in the queer community end up moving to areas where the cost of living is higher.

“LGBTQ people are scared to live in certain cities and certain states. And for that reason, we gravitate toward places like San Francisco, New York, Chicago, D.C. — all of these are expensive places to live,” says Schneider. “For our own personal safety and the safety of our community, we’re choosing a much more expensive lifestyle, while at the same time making less money.”

When you move to a new city, paying attention to how it affects your spending is essential to keeping your financial plans on track, says Laura LaTourette, a certified financial planner and founder of Family Wealth Management Group in Dahlonega, Georgia.

To that end, she sets up online dashboards for her clients which allow

them to see how their spending changes in real time. "You make a budget, then you move across the country, and all of a sudden you start to notice lots of differences."

2. Financial planning resources can be difficult to come by

If you went to a Pride parade this year, chances are you saw a contingent from a large bank or investing firm. But despite these inroads, queer people remain largely "invisible" when it comes to major financial institutions, says Schneider.

"As members of the community, we don't see ourselves in these places of wealth building because we've traditionally been excluded by these institutions," he says.

In fact, 55% of LGBTQ Americans say they've experienced discrimination by someone in the financial services industry, [according to a recent survey from the Debt Free Guys and The Motley Fool](#). For transgender Americans, the number rises to 74%.

For members of the LGBTQ community seeking financial guidance, it may not be enough to find someone who is merely comfortable working with queer people.

"It's less about people who are welcoming and more about people who are truly understanding," says Frank Summers, a CFP with Cetera Advisors in Charlotte, North Carolina. "Someone who says, 'I'm good with gay people,' or, 'I like them,' or 'I don't have hang-ups' — that doesn't mean they understand the fears and concerns that people have."

To find inclusive and supportive institutions, Summers recommends starting with your local LGBTQ chamber of commerce, which will likely have a directory of vetted businesses in your area.

For financial advisors in particular, head to [LetsMakeAPlan.org](https://www.letsmakeaplan.org) — a website run by the CFP Board — to search for planner in your area. Use the "Client Focus" filter to screen for professionals who work with LGBTQ individuals and couples.

"We're putting it out there and saying, 'Yes, we really do support your issues. We're friendly and you should feel comfortable coming to us,'" says Catherine Valega, a CFP with Green Bee Advisory in Winchester, Massachusetts.

3. Planning for nontraditional families

Many American financial conventions are built around the traditional family unit: a married couple and their biological children.

For same-sex couples, the biological children part is often a steep financial hurdle. Some 63% of queer people plan to use assisted reproductive technology, foster care or adoption to become parents, [according to a survey by Family Equality](#). Such measures can cost LGBTQ families [hundreds of thousands of dollars](#).

One area where queer people have made progress, however, is on the marriage front, with same-sex marriage gaining legal status nationwide via Supreme Court

decision in 2015. But given the recent leanings of the Supreme Court, many in the LGBTQ community worry that status may soon disappear.

"It feels like we're under attack again," says LaTourette. "My clients are nervous wanting to make sure their estate plans are in place in case marriage equality is overturned."

That could put now legally married queer couples in the same boat as queer couples who choose to be unmarried or who live polyamorous lifestyles: in a legal gray area concerning their finances.

That means any LGBTQ person must [take additional steps to protect decisions around their finances and their health](#) in the event that they die or become incapacitated.

"You need a standard set of estate planning documents, including a will, a health-care proxy and a power of attorney," says Valega. "And you're going to want to work with an LGBTQ-friendly attorney. This isn't a scenario where I'd tell one of my clients to go to LegalZoom."

If you're in a nontraditional relationship, such as a polyamorous one, you may benefit from working with an accredited domestic partner advisor who specializes in working with unmarried people.

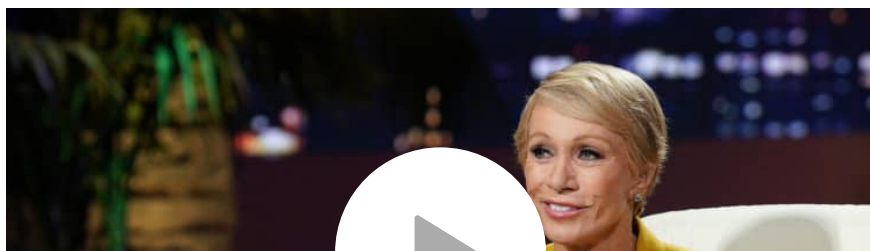
"There are a number of things that come into play in terms of taxes, gifting and strategies that make sure funds can get from one person to the other," says Summers, who holds the designation.

These strategies are especially important for people in loving queer relationships that may not fit neatly into the traditional marriage box, he says. "These relationships take on all different structures, and these may be relationships people consider lifelong."

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