



HUMAN
RIGHTS
CAMPAIGN
FOUNDATION®

THE LINK BETWEEN LGBTQ+ INCLUSION AND BUSINESS PERFORMANCE

Examining 15 Years of HRC Corporate
Equality Index Data





SUMMARY INTRODUCTION

The Human Rights Campaign Foundation (HRCF) and Whistle Stop Capital's new analysis of nearly two decades of corporate data shows what the business community has long understood: inclusive workplaces are not just good for people—they're good for business. Drawing on 15 years of Corporate Equality Index (CEI) data, this study measures the relationship between LGBTQ+ workplace inclusion and revenue growth, net income, gross profit, and market stability. The findings are clear: companies that lead on LGBTQ+ inclusion, and communicate that commitment via the CEI, outperform their peers over the long term.

THE HRC FOUNDATION CORPORATE EQUALITY INDEX

First launched in 2002, the Human Rights Campaign Foundation's Corporate Equality Index (CEI) has become the definitive roadmap for U.S. businesses to create workplaces that are fair and inclusive for lesbian, gay, bisexual, transgender, and queer employees.

The CEI consists of four pillars—workplace protections, inclusive benefits, inclusive internal culture, and external engagement—providing a clear, data-driven framework. Employers that achieve top scores have taken concrete, measurable actions that create workplaces where LGBTQ+ employees and their families can feel safe and have the opportunity to succeed, like everyone else. These businesses demonstrate that advancing equality yields direct returns in engagement, productivity, and brand reputation and more.

Today, top-rated companies span nearly every sector and state, showing that equity is not limited by geography or market but is instead a competitive advantage available to all businesses willing to lead.

By upholding rigorous and transparent criteria, the CEI equips companies with both a benchmark and a roadmap for best in class LGBTQ+ workplace inclusion. In doing so, the CEI has helped transform workplaces into engines of innovation and resilience to deliver long-term growth.

WHY THIS REPORT MATTERS NOW

Today, business efforts to build fair and inclusive workplaces face unprecedented scrutiny. It has never been more important to show with clarity how these commitments drive growth, resilience, and competitive advantage — and to do so in the context of the CEI. This report comes at a time when diversity, equity, and inclusion (DEI) programs face unprecedented attacks. These attacks have clear and negative business implications. They undermine employees' sense of safety and belonging, and they threaten businesses' ability to attract and retain top talent, spark innovation, and sustain relevance in a diversifying marketplace. With one in five Gen Z adults identifying as LGBTQ+, companies that fail to sustain inclusive practices risk losing both their workforce advantage and their position in the market.

This much-needed research gives business leaders additional data to navigate today's pressures and successfully adapt workplace inclusion strategies. The findings make clear: investments in equality and communicating that commitment to employees is a driver of growth and competitiveness.

KEY FINDINGS

Over a 15-year analysis of CEI data and company financial performance, **businesses that participated in the CEI and maintained strong scores outperformed their peers across several key indicators — including revenue growth, net income, gross profit, and stock price stability.**

This research analyzed data from 2008–2023, comparing CEI performance with financial metrics across 3, 5, 10, and 15-year time horizons. The correlation between inclusion and performance strengthens over time, reinforcing the business value of sustained commitment to LGBTQ+ workplace equality and engagement with the CEI.

TOP FINDINGS

REVENUE GROWTH STRENGTHENS WITH LGBTQ+ INCLUSIVE PRACTICES AND LONG-TERM CEI PARTICIPATION

Breaking companies into four groups based on CEI scores, **companies in the highest CEI score quartile saw average revenue growth of 12.31% over 15 years — more than double the 5.23% growth of companies in the lowest quartile.**

Further, **the correlation between CEI score and revenue growth strengthens over time:**

- 3-Year $R^2 = 1.3\%$
- 5-Year $R^2 = 3.7\%$
- 10-Year $R^2 = 8.4\%$
- **15-Year $R^2 = 11.3\%$**

In addition, at 15 years, a 10-point increase in CEI is associated with 2.1% cumulative additional revenue growth.

PROFITABILITY GROWS WITH CEI LEADERSHIP

Companies leading on LGBTQ+ inclusive policies and practices demonstrated notably higher average net income, with top scorers showing approximately 8x the net income of the lowest scoring companies

- Top CEI quartile: **14.29% average net income**
- Bottom CEI quartile: **1.75% average net income**

GROSS PROFIT IS STRONGER IN INCLUSIVE WORKPLACES

A **positive correlation was also observed between CEI scores and gross profit**, reinforcing the link between inclusive policies and operational performance.

HIGHER-SCORING CEI COMPANIES SHOW GREATER MARKET STABILITY

Companies with higher CEI scores demonstrated **lower stock price volatility**, suggesting more predictable and stable long-term performance — a key signal for investors.

TRANSPARENCY MATTERS

It's not just about having the right policies — it's about making them visible. Companies that publicly report their inclusive workplace policies through CEI participation demonstrate accountability to key stakeholders. The data shows that transparency and inclusive policies and practices together are associated with stronger financial outcomes.

Though these findings cannot distinguish between correlation and causation, the data suggests that LGBTQ+ allyship over time may be viewed as a potential signal of companies with the ability to meet their long-term growth potential.

CEI SCORE ANALYSIS BASED ON FINANCIAL INDICATORS WHISTLE STOP CAPITAL

The HRC Corporate Equality Index (CEI) measures how well companies support their LGBTQ+ employees through policies like non-discrimination protections, equal benefits, and inclusive corporate culture. This analysis draws on 15 years of data, 2008 – 2023, and is applied to financial returns across four-time horizons - 3, 5, 10, and 15 years – as well as a range of financial indicators. It compares CEI scores with fundamental metrics such as revenue, net income, and gross profit, as well as equity-based indicators including volatility.

KEY FINDINGS:

- 1. CEI vs Revenue:** The regression analysis indicates a positive slope between the mean CEI scores and revenue growth across longer time horizons. The benefits of LGBTQ+ inclusion become more pronounced over time.

Time Period	Time Range	Slope	Intercept	R ²	Relationship
3 Year CEI	2008 - 2011	0.38%	12.59%	1.34%	Weak relationship
5 Year CEI	2008 - 2013	0.33%	-5.51%	3.65%	Modest relationship
10 Year CEI	2008 - 2018	0.26%	-10.79%	8.43%	Moderate relationship
15 Year CEI	2008 - 2023	0.21%	-8.96%	11.34%	Strong relationship

Table 1: CEI vs Revenue Growth

These findings indicate that the explanatory power of CEI scores in predicting revenue growth strengthens over time, with the 15-year horizon exhibiting the highest correlation ($R^2 = 11.34\%$). Figure 1 visualizes this relationship. The relationship between inclusion and revenue growth exists in the short term and strengthens significantly as we look at longer time horizons. At 15 years, we see that a 10-point increase in CEI is associated with 2.1% cumulative additional revenue growth.

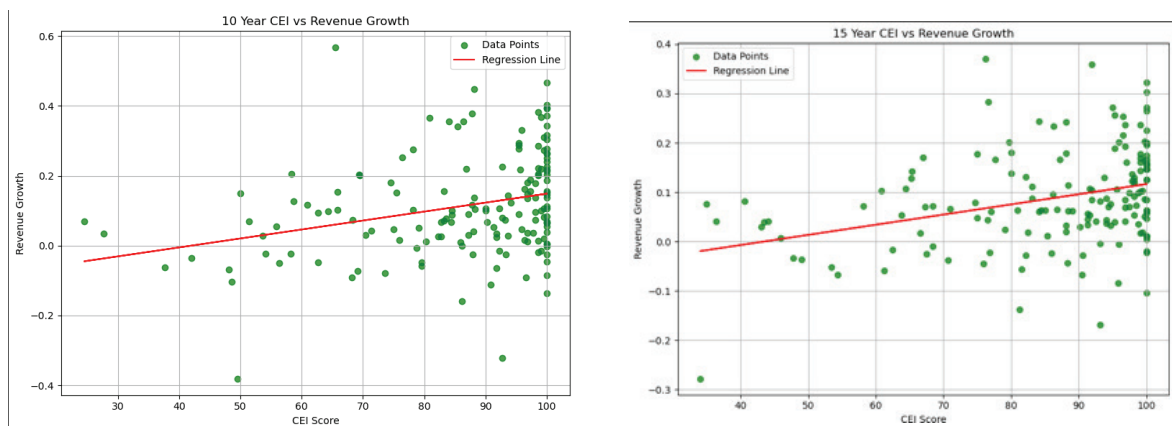
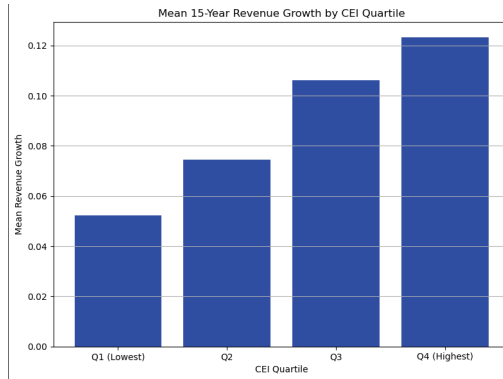


Figure 1: Correlation between Revenue Growth & CEI (10 & 15 Years)



The quartile-based analysis, which breaks companies into four groups based on their CEI scores, reveals an upward trend; companies in the highest CEI quartile (Q4) achieved an average revenue growth of 12.31%, significantly outperforming those in the lowest quartile (Q1), which saw 5.23% growth. The graph suggests that organizations with more inclusive and equitable LGBTQ+ workplace policies, as reflected by high CEI scores, have historically generated stronger revenue growth over time.

Figure 2: Quartile Analysis: Mean Revenue & CEI

2. CEI vs Net Income & Gross Profit:

Additional to the revenue growth findings, the analysis was extended to net income, where the strongest positive correlation emerged over the 10-year period. This result was further supported by the quartile-based analysis.

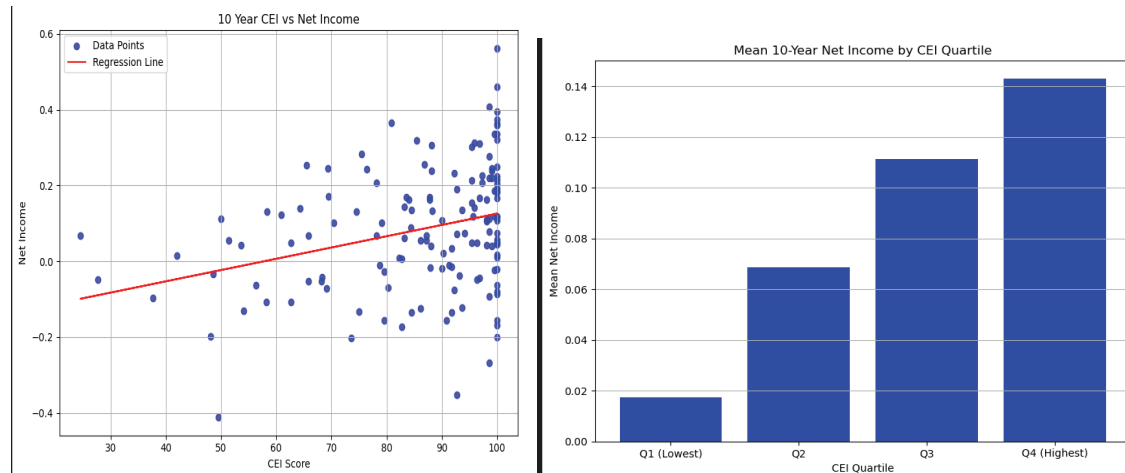


Figure 3: CEI vs Net Income

Companies with higher CEI scores consistently outperformed their lower-scoring peers in terms of net income. Companies in the lowest quartile (Q1) reported a mean net income of 1.75%, while those in the highest quartile (Q4) achieved significantly stronger returns, with an average net income of 14.29% - more than eight times higher. These results suggest a positive relationship between inclusive corporate policies and long-term profitability.

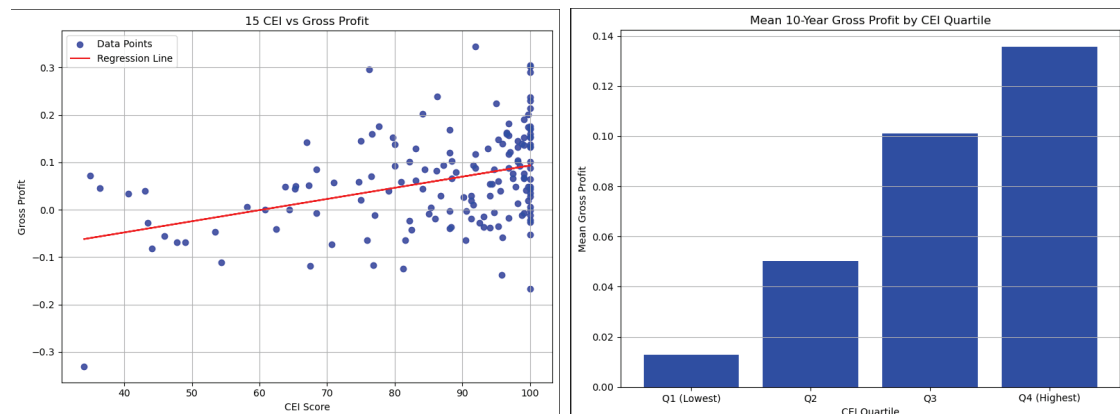
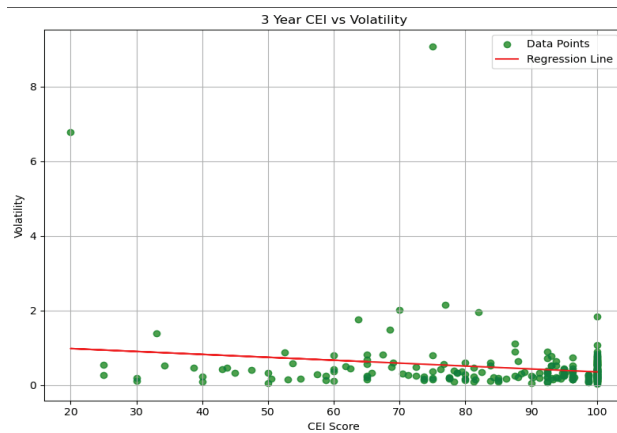


Figure 4: CEI vs Gross Profit

Additionally, the analysis found a strong positive correlation between higher CEI scores and gross profit over the 15-year period studied, reinforcing the link between inclusive corporate policies and long-term profitability.

3. CEI vs Volatility

The analysis found that companies with stronger LGBTQ+ inclusion policies also experienced slightly more stable share price performance. While the relationship requires careful interpretation, the data suggests that companies with more inclusive policies may experience less dramatic swings in their stock prices. This could indicate that inclusive practices contribute to more sustainable, predictable business performance – an attractive quality for investors seeking steady returns.



In each of the time periods analyzed, volatility was negatively correlated with CEI scores. Companies with higher CEI scores demonstrated more stable and predictable stock performance patterns.

Figure 5: CEI vs Volatility

These findings cannot distinguish between correlation and causation. It may be that companies that are seeing healthy revenue and growth then put in place strong Pride-focused policies. However, the data suggests that LGBTQ+ allyship over time may be viewed as a potential signal of companies with the ability to meet their long-term growth potential.



LONGTERM ENGAGEMENT WITH THE HRC CEI MEANS BIG BUSINESS

Businesses that participated in the CEI and maintained strong scores outperformed their peers across several key indicators — including revenue growth, net income, gross profit, and stock price stability.

REVENUE GROWTH

Companies in the highest CEI score quartile:

saw average
revenue
growth of

12.31%
OVER 15 YEARS

VS

Companies in the lowest CEI score quartile:

saw average
revenue
growth of

5.23%
OVER 15 YEARS

Correlation between CEI score and revenue growth strengthens over time:

1.3%
AT 3-YEARS

3.7%
AT 5-YEARS

8.4%
AT 10-YEARS

11.3%
AT 15-YEARS

PROFITABILITY

High-scoring companies consistently outperformed low scorers in terms of net income:

TOP CEI QUARTILE:

14.29%
average net income

VS

BOTTOM CEI QUARTILE:

1.75%
average net income

That's an average
**net income more
than 8x higher**
for companies
leading on LGBTQ+
inclusive policies
and practices.

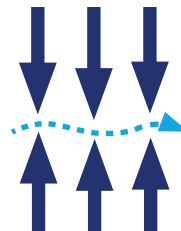
8x

GROSS PROFIT



A **positive correlation** was also observed between **CEI scores and gross profit**, reinforcing the link between inclusive policies and operational performance.

MARKET STABILITY



Companies with higher CEI scores demonstrated **lower stock price volatility**, suggesting more predictable and stable long-term performance — a key signal for investors.