

The State of the LGBTQ+ Economy



Donnya 'Zi' Piggott,
CEO of [Pink Coconuts](#)

06.2021

Hello Alice
Impact Report

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Executive Summary

Hello Alice celebrates LGBTQ+ Pride Month by starting a conversation with our growing community of more than 14,500 LGBTQ+ small business owners. We regularly gather data on this key pillar of the New Majority through anonymous user data and grant applications. For the first time, we also conducted an impact survey that directly polled our LGBTQ+ community members. Published in partnership with the [Global Entrepreneurship Network](#), [StartOut](#), and the [National LGBT Chamber of Commerce](#), this report presents that data to illustrate **who LGBTQ+ owners are and how we can all ensure their success.**

The diversity of the LGBTQ+ community provides unique strengths and distinct challenges. Encompassing every race, gender, ability status, and military affiliation, LGBTQ+ owners often experience intersecting prejudices that limit their **access to capital** – their number one business challenge, according to Hello Alice data. Notably, the top industries for LGBTQ+ entrepreneurs were also some of those most affected by stay-at-home orders, impacting these owners' ability to **operate their businesses.**

Despite these challenges, we measured an incredible **emphasis on community** among LGBTQ+ owners. Responding to our survey, these entrepreneurs told us that they are operating queer-friendly cafes, inclusive gyms, and travel companies tailored to LGBTQ+ millennials. If they're not explicitly serving an LGBTQ+ audience, they are committed to **making a positive impact through their businesses**, including hiring New Majority staff and donating to nonprofits.

Crucially, this report introduces you to individual LGBTQ+ small business owners to supplement our comprehensive dataset. Considered together, these faces and figures provide a better understanding of how we can all support the diverse needs of the LGBTQ+ business community during Pride Month and beyond.



"No pride for some of us without liberation for all of us."
— **Marsha P. Johnson**

As I celebrate this Pride Month, I am keenly aware of the contrasting emotions that come up for me and for my LGBTQ+ community. Many LGBTQ+ small business owners start their own ventures because it's their best opportunity to have freedom and acceptance. I hope those reading will work not just to show up to the parade with rainbows on, but also to buy from and work at those LGBTQ+ small businesses that need your support and acceptance. Progress and liberation only comes when we vote with our dollars and with our actions.

— **Sophia Zisook**, Hello Alice Director of Organizational Partnerships

COVID-19 Impacts

Polling data from the Movement Advancement Project collected in partnership with NPR, The Robert Wood Johnson Foundation, and the Harvard T.H. Chan School of Public Health found that [the LGBTQ+ community faced disproportionate impacts of the COVID-19 pandemic](#). LGBTQ+ individuals were more likely to be unemployed, face a financial crisis, and have difficulty accessing health care, with the effects most acute among LGBTQ+ people of color and low-income LGBTQ+ people. These findings align with Hello Alice data, which found that one of the greatest business challenges for LGBTQ+ owners is operating their business.

Due to their multiple identities, LGBTQ+ owners also face many of the structural problems faced by other New Majority entrepreneurs. While applications for vital federal aid programs such as the Paycheck Protection Program do not collect full data on gender or sexuality, women and people of color — who make up most LGBTQ+ owners on Hello Alice — were [shut out of CARES Act relief programs](#). In addition, Hello Alice data shows that LGBTQ+ owners operate in industries like restaurants, wellness, arts/entertainment, and other sectors most affected by pandemic public health restrictions.

The precarious future of LGBTQ+ small businesses threatens the economic and social hubs of the LGBTQ+ community. One of the most visible corners of this struggle has been among queer-friendly bars. Long a hub for community and activism for LGBTQ+ folks, these businesses and the staff, performers, and vendors they support have struggled to make ends meet during the pandemic. The nation's lesbian bars — already an endangered species [with roughly 15 left nationwide](#) — have faced an existential threat during the last year. With Arts/Entertainment/Recreation ranking as the number one industry for LGBTQ+ owners on Hello Alice, there must be more targeted aid programs such as the SBA's Shuttered Venue Operators Grant (SVOG) to preserve these essential community spaces.

There's still plenty of reason for hope. By documenting these challenges and their contributing factors, this report will guide decision-makers as they assess the need for future grant or loan programs. As public health restrictions lift, we can look forward to a natural resurgence of many LGBTQ+ businesses that depend on in-person customers. Yet Hello Alice data shows that many LGBTQ+ businesses generate less than \$100,000 in annual revenue and will have difficulty making up for a year of below-average or nonexistent sales. A collective effort to build a supportive community of LGBTQ+ owners and their allies will go a long way toward ensuring lasting social and economic equality for every American with an entrepreneurial spirit.

Opening Letter

The LGBTQ+ economy is a vital, invaluable part of America's economic future — especially as we commit to an equitable recovery from COVID-19's effects ahead. For nearly twenty years, our mission at [NGLCC](#) has been to showcase America's estimated 1.4 million LGBTQ+ business owners as innovators, job creators, taxpayers, and providers of essential services that benefit our entire society. Having trusted partners over the years like Hello Alice, our more than 300 corporate and government partners and our network of 50+ affiliate chambers has helped us reach more LGBTQ+ entrepreneurs than ever before. We're just getting started.

We have provided invaluable resources throughout the pandemic, including grants, training programs, matchmakers, and so much more to help keep our LGBTQ+ business community strong. We've also worked with community partners, major news outlets like CNBC, and members of Congress to collect essential data and advance legislation focused on the needs of our business owners during and after this pandemic recovery.

In early 2004, NGLCC created a best-in-class diversity certification program, making us the exclusive national third-party certifying body for [LGBT Business Enterprises \(LGBTBEs\)](#). If you are an LGBTQ+ business owner and not yet certified, that means you're leaving opportunities on the table to help your business grow. For the LGBTQ+ community, that also means missing out on one of our role models, job creators, and future success stories. The process is quick, easy, and can open unprecedented doors of opportunity for you and your business. [Get NGLCC LGBTBE Certified today!](#)

As our NGLCC reports and the Hello Alice ["Impact of COVID-19 on LGBTQ+ Businesses"](#) report from 2020 show, business leaders in our community continually redefine industries and shatter stereotypes, even during the toughest times. From technology firms to local restaurants and retail shops, we are proving every day that if you can buy it, an LGBTQ+ business owner can supply it.

Use the LGBTQ+ community's \$917 billion spending power and \$1.7 trillion national economic impact to make a difference. Support your community when you shop, seek out LGBTQ+ business owners when you invest, and stand by those who stand with us. We look forward to a long future with Hello Alice and the outstanding business leaders in its network. The great work for economic equality continues, one small business at a time.

Yours in equality and opportunity,



Justin G. Nelson
Co-Founder & President
National LGBT Chamber of Commerce



Chance E. Mitchel
Co-Founder & CEO
National LGBT Chamber of Commerce

A Day in the Life of an LGBTQ+ Entrepreneur



Donnya "Zi" Piggott is the co-founder and CEO of [Pink Coconuts](#), an LGBTQ+ travel startup building a new travel experience for the queer traveler. Currently living between Bridgetown, Nairobi, and Los Angeles, California, Zi is also a well-known speaker and LGBTQ+ advocate. What follows is a diary of a typical day as she works to build her fledgling tech company.

Pink Coconuts means a lot to me, so my days tend to start with visualizing and prioritizing. A typical day depends on where I am in the world, but appreciating the sunshine is quite a constant start.

I head over to make a cup of coffee, shower, and get to work — often starting with emails and a to-do list. Around 9 a.m., I start to look for breakfast which usually consists of fruit and grains.

From there I start with social media, I'm addicted — I know. I answer messages and check Pink Coconuts Instagram. [Check it out](#), it's pretty cool!

Calls usually begin around 11 a.m., and I always look forward to them. Connection is important these days, and I'm always stoked to talk to customers and my team and give them my best smile and listening ear. I think I need the connection more than them sometimes.

In the middle of the day I lift the weights on my desk or run to the gym for all of 25 minutes if I'm in a hotel. I find it brings some level of creative energy.

I often take a break and do about 15-20 minutes of reading. Right now, I'm reading *The Startup Playbook*. It's a really good read if you're a startup founder.

I end my day by crashing across my bed wondering if I got enough done. I then either watch *Shark Tank* or a nature documentary, something by David Attenborough. Nature documentaries calm me down if I overworked myself; *Shark Tank* motivates me if I think I haven't done enough.

A handwritten signature in black ink that reads "Donnya 'Zi' Piggott". The signature is fluid and cursive, with a long horizontal line extending to the right.

Donnya "Zi" Piggott
Pink Coconuts

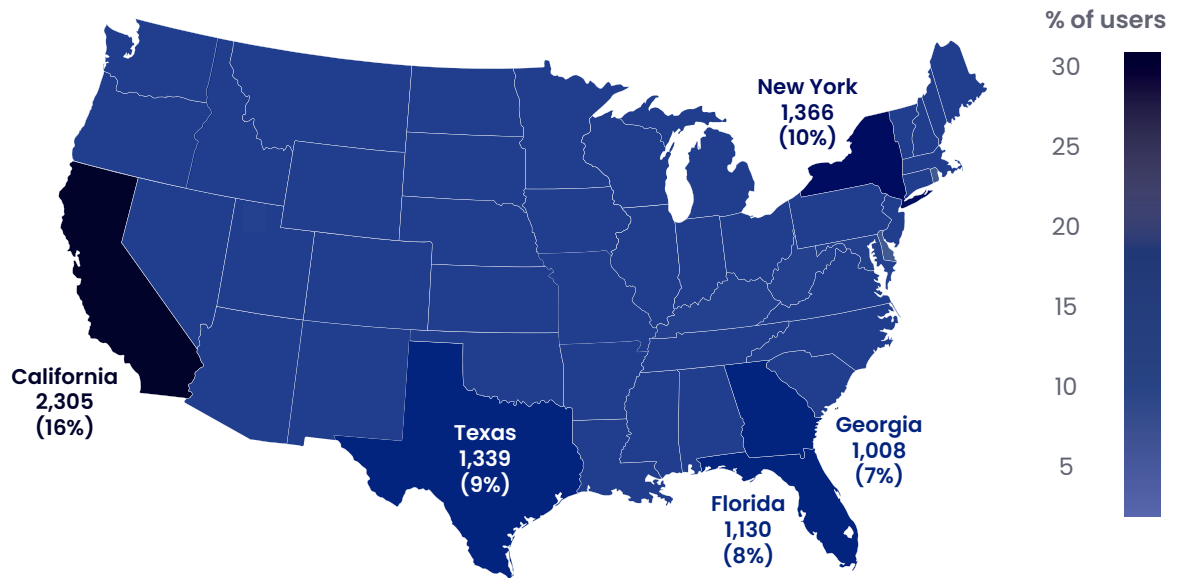
Get to Know the Owners

There are approximately 14,500 LGBTQ+ entrepreneurs on Hello Alice operating small businesses across the United States. More than **one-third** of owners are located in **California, New York, and Texas**, with **Florida** and **Georgia** also ranking as top locations for LGBTQ+ small business owners.

This report compiles data from:

14,500+ LGBTQ+ small business owners

Sample size: 14,317

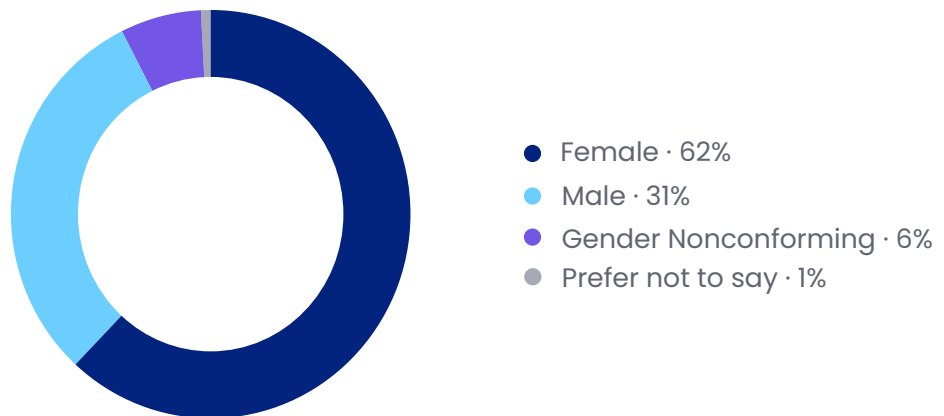
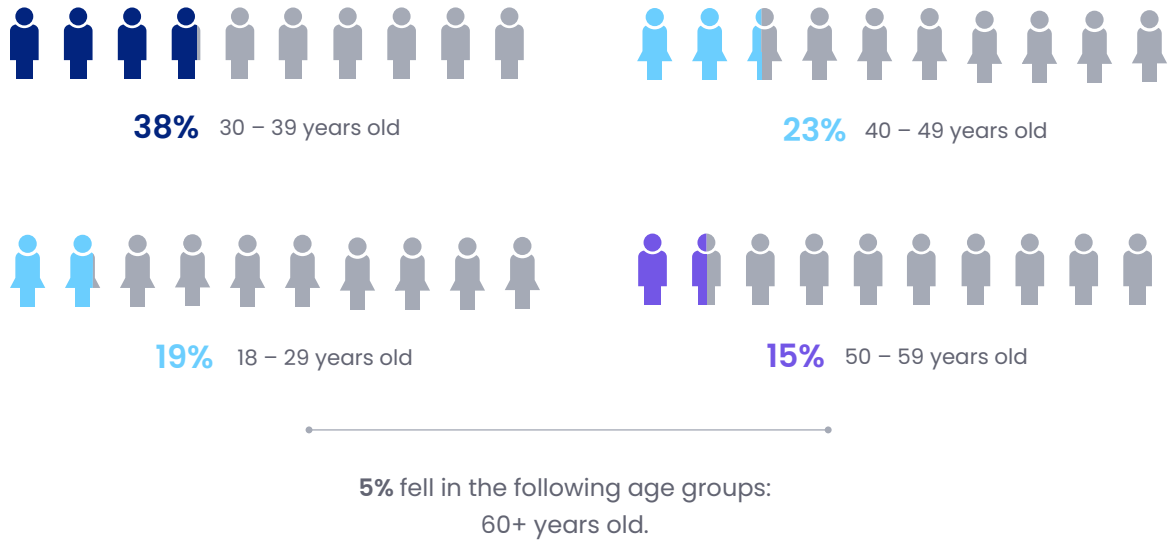


“My background is in chaplaincy, grief counseling, and adult development and training. I started my business after I came out later in life and wanted to serve our LGBTQIA+ community and spread the message that it is never too late to come out and live an authentic life.”

— **Anne-Marie Zanzal**, Owner, [Anne-Marie Zanzal Coaching](#) in Nashville, TN

Get to Know the Owners

LGBTQ+ entrepreneurs are starting and running businesses at every age, and many are starting early, with almost 60% **between 18–39 years old**. Notably, almost two-thirds are **women** and 6% are **gender nonconforming**, with LGBTQ+ owners displaying the largest gender diversity of all cohorts on Hello Alice.



Demographics ✨

New Majority

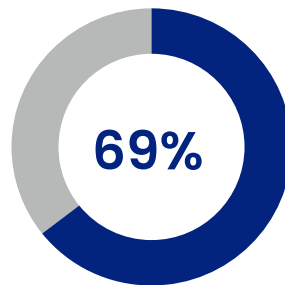
Not only are LGBTQ+ owners **diverse**, they are also **committed to hiring diverse staff**.

LGBTQ+ owners on Hello Alice strongly represent all New Majority segments.

Roughly **one-fifth** have one or more **disability**, and roughly **one-fifth** are members of **the military-connected community**. More than **two-thirds** of LGBTQ+ owners are **people of color**.

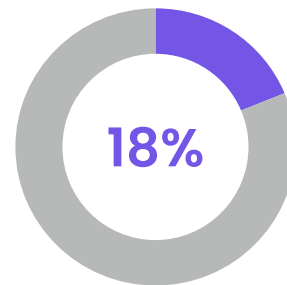
Remarkably, almost 70% of LGBTQ+ owners report that 75–100% of their staff represent at least one New Majority demographic.

NEW MAJORITY STAFF



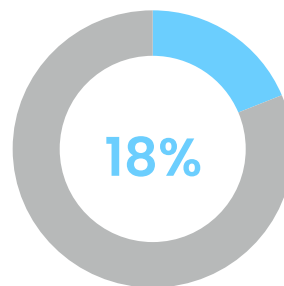
of owners who report that **75%+** of their employees identify as a part of the **New Majority**

OWNERS WITH DISABILITIES



identify as **owners with a disability**

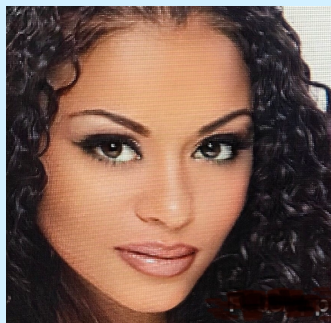
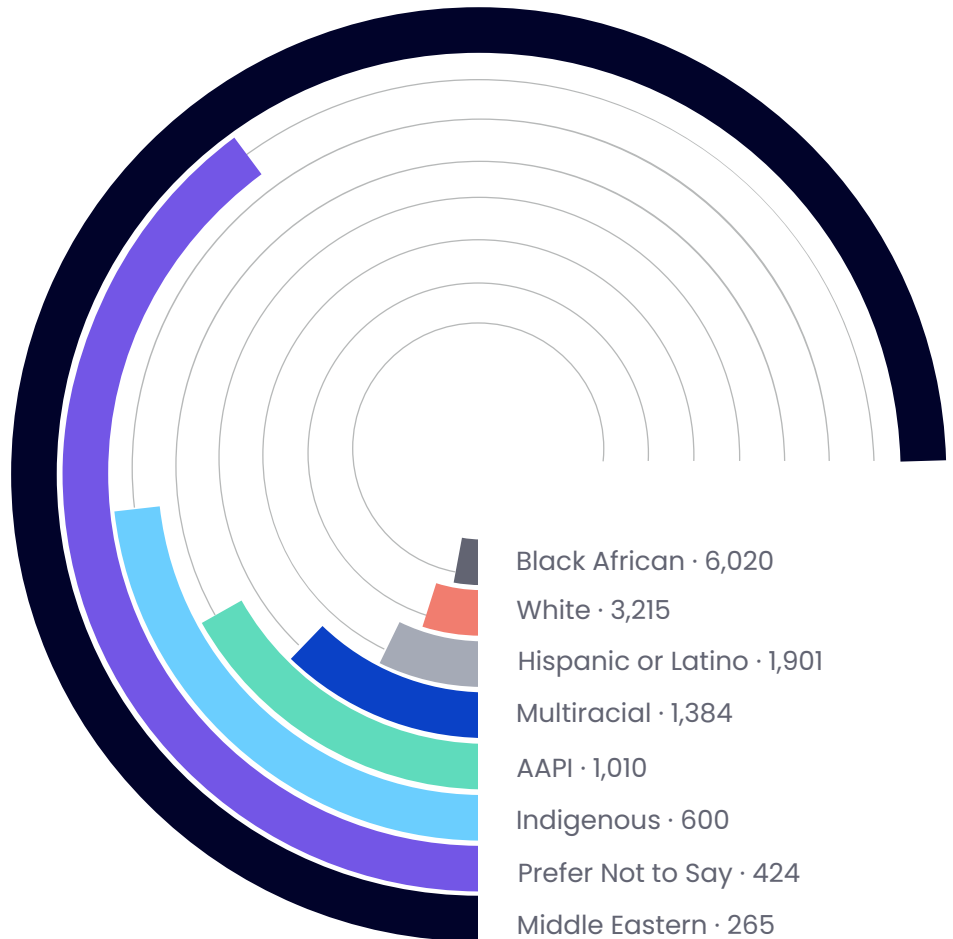
MILITARY



identify as **military connected**

New Majority

OWNER RACE/ETHNICITY



“My family always told me I could be whatever I want if I tried harder than everyone else. I am proud to be who I am. I am a woman, I am a daughter, I am a business owner, I am a lesbian, I am a warrior.”

— **Tanya Zeno**, Owner, [Taylor Maid Cleaning Services](#) in San Francisco, CA



If you're a New Majority business owner looking for funding, check out [this free step-by-step Hello Alice guide](#) on how to Apply for Minority-Owned Business Grants.

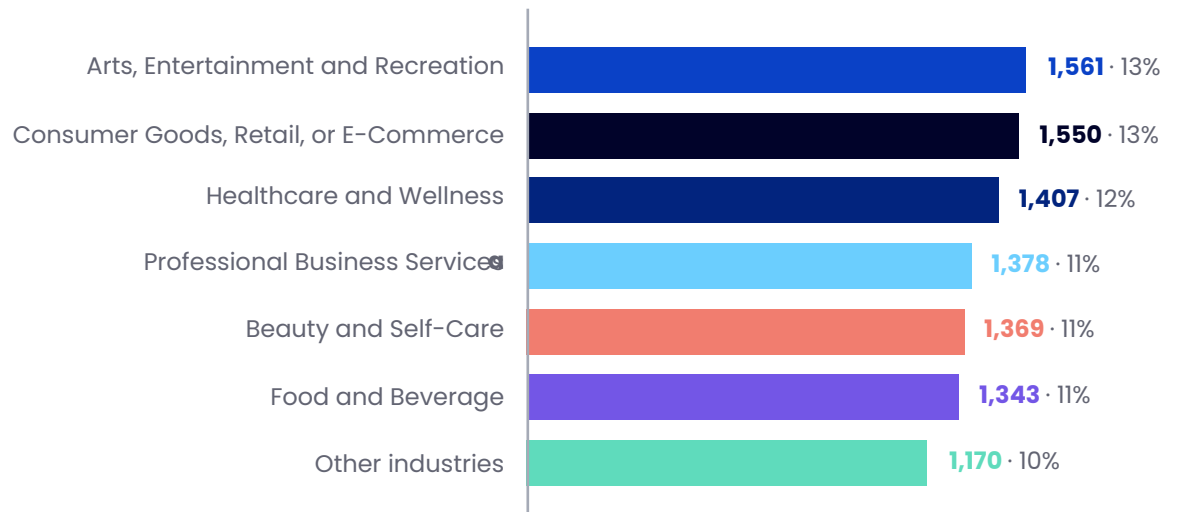
Business Profile ✨

Top Industries

LGBTQ-owned businesses operate across a wide range of industries, with the majority working in sectors most affected by the pandemic such as retail, the arts, healthcare and wellness, and restaurants and bars.

The Small Business Administration (SBA) is accepting applications for the [Shuttered Venue Operators Grant](#), which offers grants of up to \$10 million for **arts and entertainment businesses** – the top industry for LGBTQ+ owners on Hello Alice.

Sample size: 11,739



17% fell in the following industries: Social Enterprise and Education, Transportation and Logistics, Construction, Real Estate, Technology and Telecommunication, Personal Services, Manufacturing, and Apparel-Fashion.



“Front Page Retail replicates field sales teams for emerging brands or brands who need store support and execution to boost their sales. I’m glad I’m contributing to growing and diversifying the CPG industry.”

– **Daniel Quiñones**, CEO of [Front Page Retail](#) in Miami, FL

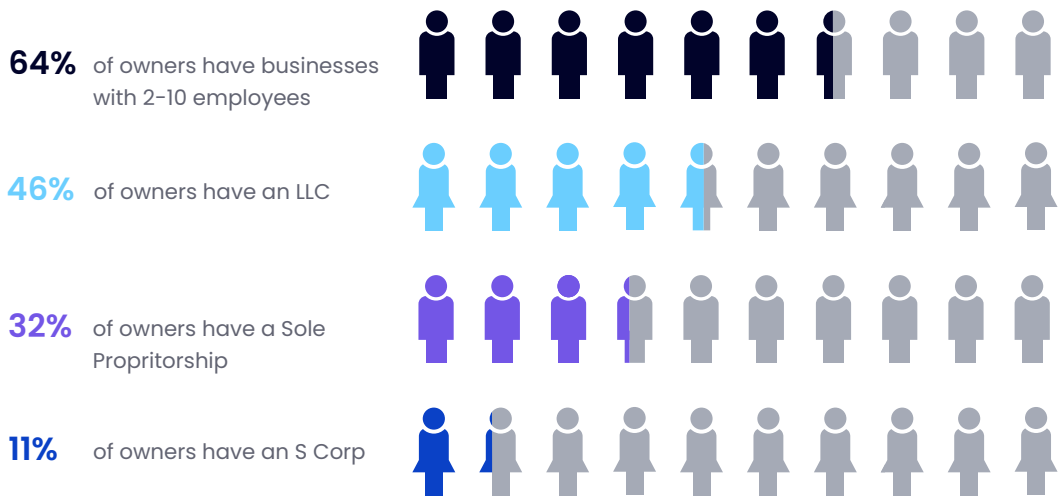
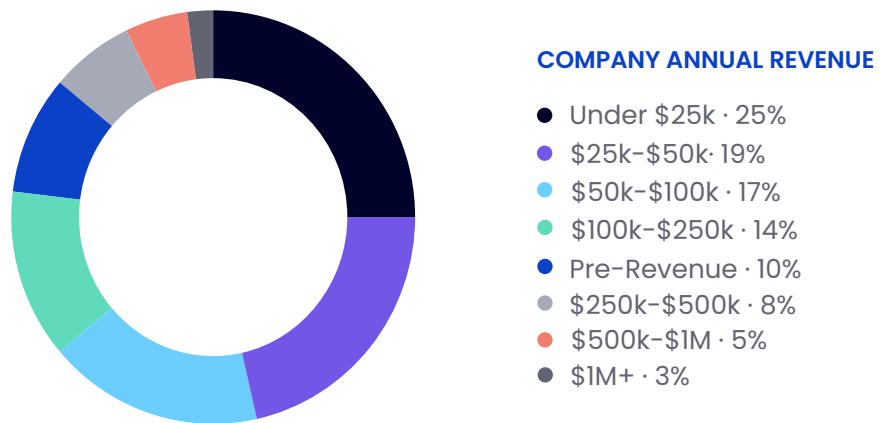


If you’re an LGBTQ+ business owner looking for a business certification, consider [becoming a certified LGBT business enterprise](#) through the National LGBT Chamber of Commerce.

Business Data

LGBTQ+ owners mostly operate **true small businesses**, with roughly two-thirds of owners reporting annual revenue of less than \$100,000 and fewer than 10 employees. Compared to other owner demographics on Hello Alice, **half** as many LGBTQ+ owners reported 2020 revenues over \$500k than would have been expected.

The most common business structure for LGBTQ+ owners is **LLC** (46%), although there are also a significant number of **sole proprietorships** (32%).



11% fell in the business structures: Nonprofit, Other, General Partnership, Limited Partnership, Unincorporated.

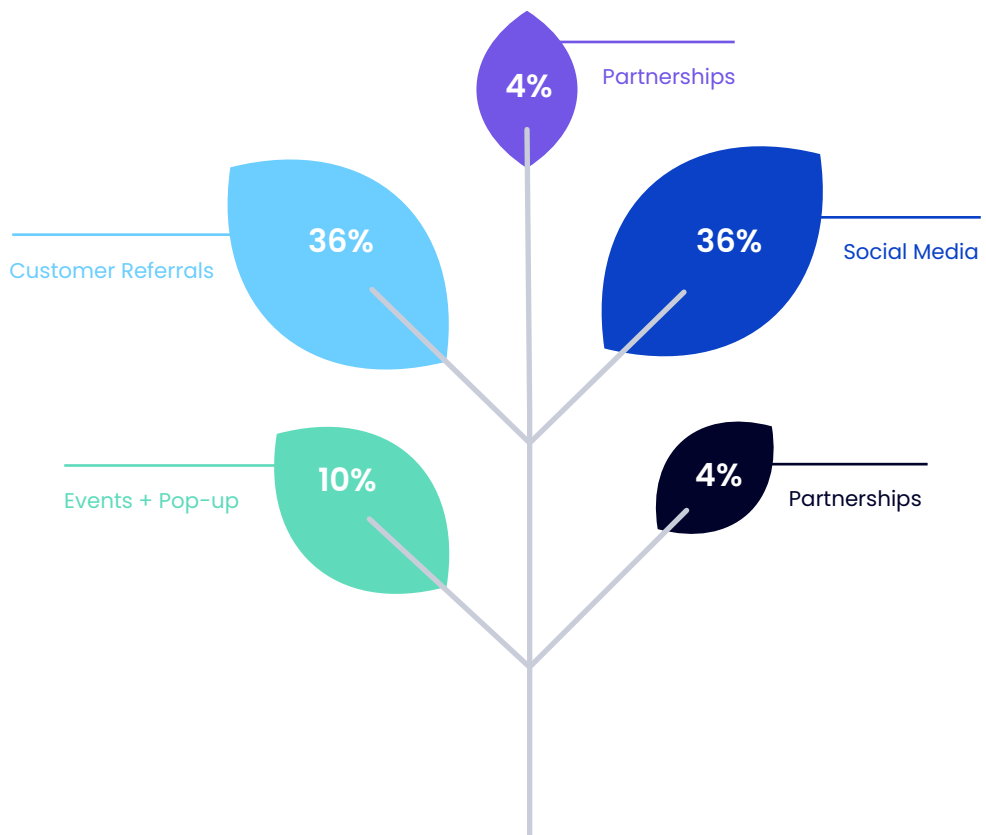


If you're an LGBTQ+ small business owner looking for community and resources, check out our partners at [StartOut](#), an LGBTQ+ nonprofit organization created to promote equality and combat discrimination in the business world.

Customer Acquisition

LGBTQ-owned businesses are adept at building community and leveraging digital tools. In total, 72% of these owners report either **customer referrals** or **social media** as their top acquisition channels. Notably, 10% of LGBTQ+ owners identify **events and pop-ups** as their top acquisition channel, representing a significant challenge during a year of restrictions on in-person events.

Sample size: 9,569



14% reported the following as their top acquisition channel: Paid Online Advertising, PR/Traditional Media, Email, SEO, Cold Calling, N/A, Traditional Advertising, Content Marketing, Affiliate, Direct Mail, Radio or Podcasts, Television.



"In the beginning 45 years ago, my father enticed customers to stop and have a taste by encouraging them to, 'Try it. If you don't like it, I'll give you double your money back!' We never had to give refunds, and our delighted new customers spread the word about our tiny hut in Los Feliz and its delicious food."

— **Dora Herrera**, President, [Yuca's Restaurant](#) in Los Angeles, CA



The National LGBT Chamber of Commerce (NGLCC) has more than affiliate chambers spread across the United States and abroad. To learn more and join your local chamber, [visit the NGLCC website](#).

Owner Sentiment ✨

Greatest Business Challenge

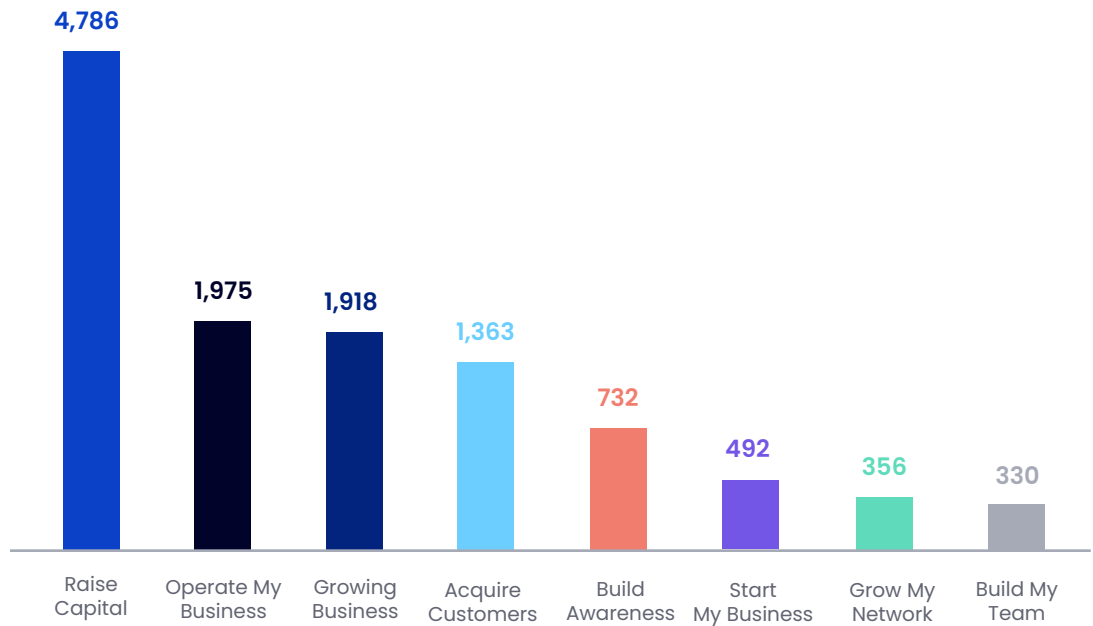
When we asked LGBTQ+ small business owners about their greatest business challenges, the most common responses were **raising capital, operating my business, and growing my business**.

In terms of COVID-19 impacts, LGBTQ+ owners cited **reduced sales and employee anxiety or distraction**.

These responses reflect a pre-existing need for funding compounded by the pandemic’s temporary impact on the types of in-person businesses most commonly operated by LGBTQ+ owners. As pandemic health restrictions recede, we must connect these owners with the capital they need to foster sustained, long-term growth.

BIGGEST BUSINESS CHALLENGES

Sample size: 12,204



“The COVID-19 shutdown decimated the hospitality industry. Growing the business to become sustainable is currently my biggest challenge. A large portion of our business was large parties and special catered events. When will people be ready to gather in groups again?”

— **Jonathan Ojinaga**, Managing partner, [Azúcar Lounge](#) in San Francisco, CA



If you’re a small business owner looking for funding opportunities, take advantage of Hello Alice’s [funding center](#), where you can find up-to-date information on funding opportunities for small businesses.

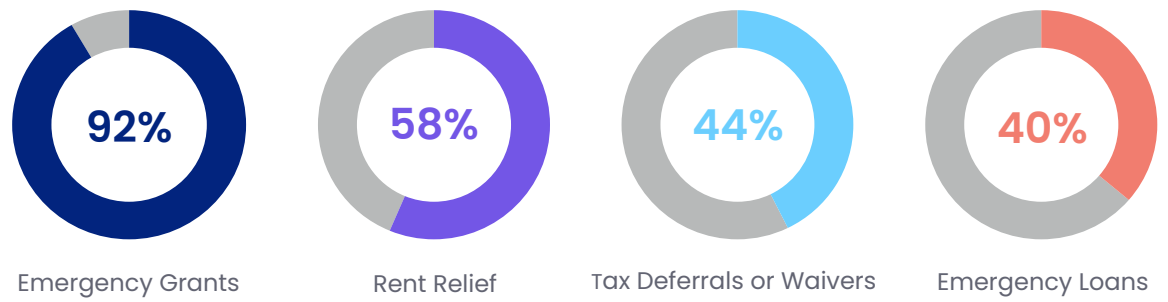
Support Needed

LGBTQ+ owners continue to call on the government to provide **emergency grants** and **loans**, as well as **rent relief**; in order to absorb the impacts of the pandemic, **one-third** of LGBTQ+ owners say they need between \$10k–\$25k in capital.

To adapt to new challenges, these owners have gotten creative. When asked about the top ways they pivoted to address new business conditions, LGBTQ+ entrepreneurs most commonly “launched or increased their digital presence” and “sought new channels or partners for sales and marketing.” These strategies complement LGBTQ+ owners’ top acquisition channel: social media.

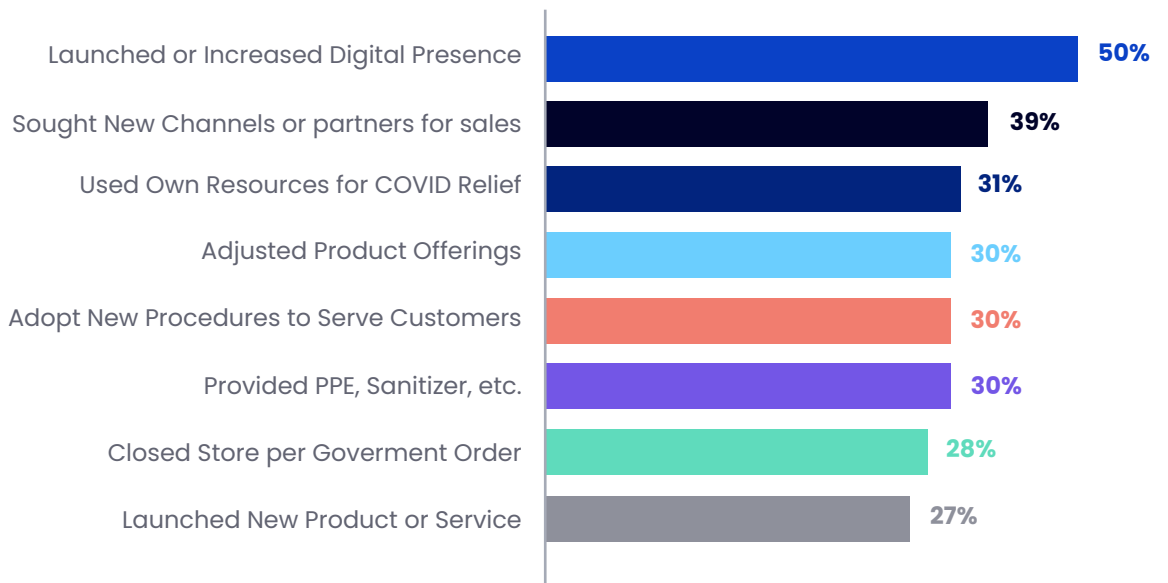
TYPE OF ASSISTANCE NEEDED FROM THE GOVERNMENT

Sample size: 9,143



PERCENTAGE OF OWNERS WHO PIVOTED AND HOW

Sample size: 2,855



CAPITAL NEEDED TO SURVIVE COVID-19

Sample size: 8,941

- \$10k–\$25k · 33%
- \$5k–\$10k · 25%
- \$25k–\$50k · 21%
- \$50k–\$100k · 9%
- 50k or less · 7%
- 100k+ · 6%



If you're an LGBTQ+ small business owner looking for COVID-19 impact support, [check out the COVID-19 Business Resource Center](#) for up-to-date resources on how to grow your business during the COVID-19 pandemic.

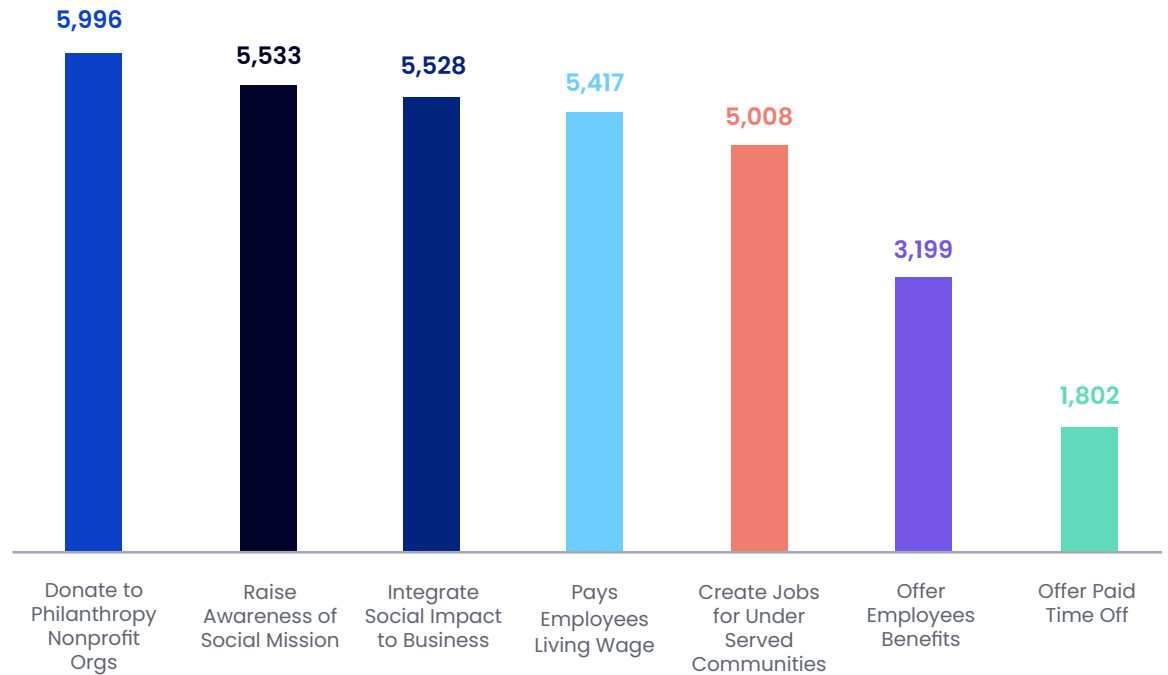
Positive Impact

LGBTQ+ small business owners make a positive impact through their businesses in myriad ways. Our data show that the most common strategies are **incorporating philanthropy** into their businesses, **raising awareness** of social mission, and **integrating social impact** to their core business.

With many of these owners giving back directly to LGBTQ+ causes, the success of their small businesses is key to ensuring the health of the broader queer community.

POSITIVE IMPACT THROUGH BUSINESS

Sample size: 10,795



If you're an LGBTQ+ small business owner looking to support fellow owners and continue making positive impacts, [Hello Alice's Business for All](#) community has an ever-growing community of owners and supporters.

Closing Letter

"A rising tide doesn't raise people who don't have a boat. We have to build the boat for them. We have to give them the basic infrastructure to rise with the tide." — **Rahul Gandhi**

We created StartOut over a decade ago with the mission to build a solid support network around the LGBTQ+ entrepreneurial community in the U.S. because we were (and continue to be) underrepresented. We thus created a comprehensive suite of programs that could be delivered at scale and have a wide-ranging, irreversible impact for founders nationwide. Fully scalable programs and an accessible online portal for both program delivery and peer-to-peer support allowed us to serve our community. These efforts combined with strong partnerships have allowed us to reach over 20,000 StartOut supporters throughout the last decade.

The pandemic threatened that progress. But in the same entrepreneurial spirit as our members, StartOut has responded to COVID-19 with quick pivots in many areas. Our online portal and programs were well-positioned to expand their impact. However, our regional events required fundamental change beyond just moving into the virtual space. We now focus on industry topics rather than local programming teams. The pandemic has also prompted us to accelerate other changes to serve all LGBTQ+ entrepreneurs nationwide with access to the same top-notch resources you would expect in Silicon Valley or New York. This includes moving the in-person StartOut Growth Lab six-month intensive accelerator to a virtual format to support high-potential LGBTQ+ entrepreneurs everywhere. The roughly 35 Growth Lab alumni have raised more than \$250M in funding and created at least 300 new jobs.

We are further driven to support aspiring LGBTQ+ entrepreneurs as they pursue their dreams and grow their businesses. Our mentorship program has facilitated more than 700 matches to date, and our investor portal includes close to 300 institutional and angel investors with access to our members' fundraising rounds. We take great pride that StartOut offers a safe place to connect through our online networking tools and the many virtual events open to all. We also share a similar mission with Hello Alice in supporting underrepresented entrepreneurs to improve their success rate.

To that point, StartOut and [Socos Labs](#) have come together to measure the potential of LGBTQ+ entrepreneurs who are what we define as high-growth founders. In July 2020, with support from JPMorgan Chase, we launched the first Inclusion Impact Index to gather insights on LGBTQ+ entrepreneurs' economic impact in job creation, patents, financings, and exits — and what these metrics could be with equal access to critical resources. Municipalities, investors, ecosystem builders, and grantors can use the Inclusion Impact Index to support founders of diverse backgrounds and reap the corresponding benefits. Notably, we also published this same index on Female and All U.S. entrepreneurs for benchmarking.

We're working closely with Hello Alice to amplify and encourage all founders to get counted in this confidential survey. It's a critical Diversity & Inclusion project with the potential to lift all boats. The data findings are used to gain insights on LGBTQ+ entrepreneurs' economic impact and quantify the economic value of underutilized LGBTQ+ entrepreneurs in near real-time. Best of all, the data is free to access for everyone at inclusionindexes.org.

Thank you, Hello Alice, for allowing us to introduce StartOut to your community!

Happy Pride!



Andres Wylder
StartOut Executive Director

Where We Go From Here

Our partners at the NGLCC publish [an annual survey of LGBTQ+ entrepreneurs in the United States](#). Writing that this demographic is “highly entrepreneurial” out of a desire to “start their own businesses and map their own futures” where they can be proudly out, they found that LGBTQ+ small businesses often outperform the odds; while the typical business fails within the first five years, the average age of a certified LBTE is 12 years. A sustained and targeted emphasis on supporting LGBTQ+ owners will help these businesses prosper and entice even more individuals to follow in their footsteps.

Step one on this journey is ensuring that LGBTQ+ owners claim every dollar and utilize every resource. Hello Alice is spreading awareness of aid programs to its community with [step-by-step guides to the latest federal stimulus programs](#), access to thousands of industry-specific resources, and a peer-to-peer community of more than 385,000 small business owners ready to help them succeed.

Similarly, we must all ensure that LGBTQ+ owners are visible and represented. Part of this means us all voting with our dollars to support these businesses, but LGBTQ+ owners should consider becoming LBTE certified through the NGLCC. This will increase their visibility to consumers and help support the organization’s political advocacy on the behalf of the LGBTQ+ business community.

Finally, to LGBTQ+ small business owners, we recommend the following actions for immediate relief:

- **Join Our LGBTQ+ Virtual Town Hall**

In partnership with Global Entrepreneurship Network, StartOut, and the National LGBT Chamber of Commerce, we are hosting an LGBTQ+ Town Hall on **June 23 at 2 p.m. ET** as an open conversation among LGBTQ+ small business owners and their allies. [Registration is now open](#).

- **Bookmark the Hello Alice Funding Center**

Our [newly launched Funding Center](#) is regularly updated with grant opportunities from our partners and around the web.

- **COVID-19 Business Resource Center**

Look to [this hub](#) for industry-specific resources, community, and how-to guides to help your business respond to the pandemic.

About Hello Alice

Hello Alice (helloalice.com) is a free, multichannel platform that helps businesses launch and grow. With a community of nearly 500,000 business owners in all 50 states and across the globe, Hello Alice is building the largest network of owners in the country while tracking data and trends to increase the success rate for entrepreneurs. Our partners include enterprise business services, government agencies, and institutions looking to serve small and medium business owners to ensure increased revenues and promote scale. A Latina-owned company founded by Carolyn Rodz and Elizabeth Gore, we believe in business for all by providing access to all owners, including women, people of color, military-connected individuals, the LGBTQ+ community, persons with disabilities, and every American with an entrepreneurial spirit.



HELLO
ALICE

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