Consumer insights to inform your marketing, product and distribution strategy

Size of the Market

- With 20 million LGBTQ American adults in the United States, just 38 percent surveyed say they have life insurance coverage, representing 7.6 million adults. In comparison, half of all Americans own life insurance.

- Among those surveyed, Generation Z adults are twice as likely to identify as LGBTQ as Millennials (21 percent versus 11 percent) and four times as likely as Generation X (5 percent).

- Forty-three percent of LGBTQ American respondents say they plan to buy life insurance coverage in 2022, which is six points higher than the general population.

- Half of LGBTQ American survey participants believe they need (or need more) coverage, representing nearly 10 million adults.

LGBTQ Consumers’ Perceptions

- One in five LGBTQ Americans surveyed say COVID-19 prompted them to purchase life insurance, five percentage points higher than the general population.

- More than half of LGBTQ Americans (54 percent) surveyed said COVID-19 made them more health conscious and 24 percent said they were more likely to discuss end of life issues with family because of the pandemic.

- Unlike the general population, perceived cost is not the top reason LGBTQ consumers give for not buying coverage. Forty-four percent of respondents say they haven’t bought coverage because they have other financial priorities, compared with 40 percent saying it is too expensive.
Reasons for Owning Life Insurance

- Burial/final expenses – 63 percent
- Replace lost wages – 38 percent
- Help pay off mortgage – 35 percent

Reasons for Not Buying Life Insurance

- I have other financial priorities – 44 percent
- Too expensive – 40 percent
- I don’t feel I need it – 33 percent

Knowledge about life insurance is low for LGBTQ consumers. Only a quarter of LGBTQ Americans surveyed feel very or extremely knowledgeable about life insurance and three quarters overestimated the cost of life insurance.

Financial Concerns

Overall, LGBTQ Americans are more likely to express financial concern than the general population in most areas. In particular, LGBTQ respondents were much more concerned about supporting themselves in the event of a disability or injury and being able to save money for an emergency. Paying their monthly bills, credit card debt and mortgage also worried more LGBTQ consumers.

LGBTQ Americans' Financial Concerns

- Being able to support myself if I am unable to work due to a disabling illness or injury
- Having enough money for a comfortable retirement
- Being able to save money for an emergency fund
- Paying for medical expenses in case of illness or injury
- Paying for long-term care services if I become unable to take care of myself
- Paying my monthly bills
- Paying off or reducing credit card debt
- Paying my mortgage or rent
- Leaving dependents in a difficult financial situation should I die prematurely
- Burdening others with my burial/funeral expenses
- Paying for a child’s schooling/college
- Leaving an inheritance for my heirs
- Losing money on my investments

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Among LGBTQ consumers surveyed, 45 percent surveyed indicate their households would face financial hardship within six months should the primary wage earner die. Thirty percent of respondents say they would struggle financially within a month, compared with 24 percent of the general population who say the same.

Two thirds of LGBTQ participants believe they need life insurance coverage to replace income for 10 years or less.

Looking for Help: Where LGBTQ Seek Information About Life Insurance

- LGBTQ consumers surveyed say the most common online platforms used for information about financial products include YouTube (64 percent), Facebook (57 percent) and Instagram (42 percent).
- More than 1 in 3 LGBTQ American participants (35 percent) report working with a financial professional and another 26 percent are looking to engage one.
- LGBTQ Americans are far more likely than other market segments to say they prefer to purchase life insurance online. Forty-one percent surveyed say they would prefer to buy online, compared with just 30 percent of the general population. Other ways LGBTQ consumers prefer to purchase life insurance include:
  - Through a financial professional (24 percent)
  - By phone or mail (15 percent)
  - Through the workplace (11 percent)

Methodology

In January 2022, LIMRA and Life Happens engaged an online panel to survey adult consumers who are financial decision makers in their households. The survey generated more than 8,000 responses, including 649 within the LGBTQ community.