

LGBT GDP, WEALTH & TRAVEL DATA 2018

Introduction

LGBT Capital started publishing its LGBT-GDP statistics in 2014, to support the anecdotal evidence of the power of the market presented by the LGBT consumer segment. These statistics are produced using a proprietary macro-economic model with inputs from a range of external sources, including governments and supra-national organisations. The model has more recently been developed further to include estimates for LGBT Household Wealth and the value of LGBT Tourism.

The financial and socio-economic clout represented by the LGBT consumer segment remains a key factor in securing positive change in terms of LGBT rights and inclusion in forward-thinking countries globally. For example, the December 2017 ruling on same-sex marriage in Australia was strongly supported by Corporations, in part driven by the perceived value potential.

Such proactive stances are often driven by Corporations' recognition of the opportunities presented by having a credible LGBT-friendly brand and inclusive legal environment in which to operate - for successful staff recruitment and retention, simplified human resource management across regions and borders, driving corporate creativity and innovation, as well as enjoying direct opportunities offered by the LGBT purchasing and investment power. The LGBT Community tends to be brand loyal and often strongly values driven. Conversely, astute Corporations also recognize the growing financial and brand-related risks inherent to being seen to not be proactive and at the forefront of these profound changes. Such risks also exist and apply to entire countries in the global competition, whether for talent and innovation prowess or for tourism appeal, inbound as well as domestic. In markets still perceived to be more conservative on LGBT matters, such corporate and societal bottom-line arguments being deployed to drive positive change are likely often even more powerful.

Using a base-line assumption that LGBT persons account for 6.5% of the total population, combined with country-specific market assumptions, direct GDP impacts may be loosely estimated by approaching the LGBT segment as a specific consumer segment and using economic data and quantitative analytics to gauge LGBT purchasing power and potential.

From the table below, it is estimated that the Global LGBT GDP is \$3.6 trillion and with the exception of the United Kingdom (where recent political turmoil and related currency movement is disguising an underlying upward trend), the data below testifies to an upward trend in absolute LGBT spending power across all countries and regions. In addition, it is estimated that on a global basis, LGBT spending remains on an upward trend.

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Estimated LGBT Per Annum Purchasing Power – LGBT-GDP

Country/Region	Estimated LGBT Population	LGBT-GDP Nominal US\$ - 2018	LGBT-GDP Nominal US\$ - 2016	LGBT-GDP PPP US\$ - 2016
ASIA	293 million	\$1.3 trillion	\$1.1 trillion	\$2.1 trillion
China PRC	90.4 million	\$541 billion	\$512 billion	\$938 billion
Hong Kong	481,000	\$18 billion	\$17 billion	\$22 billion
India	86.6 million	\$117 billion	\$103 billion	\$389 billion
Indonesia	17.0 million	\$36 billion		
Japan	8.2 million	\$253 billion	\$229 billion	\$255 billion
Philippines	6.9 million	\$14 billion		
Singapore	365,000	\$17 billion	\$15 billion	\$25 billion
Thailand	4.5 million	\$20 billion	\$18 billion	\$50 billion
Vietnam	6.1 million	\$8 billion		
Australia	1.6 million	\$72 billion		
South Africa (RSA)	3.7 million	\$16 billion		
EUROPEAN UNION	33 million	\$900 billion	\$857 billion	\$999 billion
France	4.4 million	\$134 billion	\$128 billion	\$141 billion
Germany	5.4 million	\$192 billion	\$180 billion	\$205 billion
Netherlands, The	1.1 million	\$43 billion	\$40 billion	\$43 billion
Ireland	310,000	\$17 billion	\$13 billion	\$13 billion
Italy	4.0 million	\$101 billion	\$96 billion	\$113 billion
Poland	2.5 million	\$27 billion	\$25 billion	\$52 billion
Spain	3.0 million	\$68 billion	\$65 billion	\$84 billion
United Kingdom	4.3 million	\$137 billion	\$144 billion	\$143 billion
Canada	2.4 million	\$86 billion	\$76 billion	\$85 billion
Mexico	8.1 million	\$60 billion	\$56 billion	\$116 billion
US	21.3 million	\$1.0 trillion	\$965 billion	\$965 billion
Argentina	2.9 million	\$33 billion	\$23 billion	\$51 billion
Bolivia	725,000	\$2 billion		
Brazil	13.6 million	\$107 billion	\$80 billion	\$161 billion
Chile	1.2 million	\$14 billion	\$12 billion	\$22 billion
Colombia	3.2 million	\$16 billion	\$13 billion	\$35 billion
Ecuador	1.1 million	\$5 billion		
Paraguay	450,000	\$2 billion		
Peru	2.1 million	\$11 billion		
Uruguay	225,000	\$3 billion	\$3 billion	\$4 billion
GLOBAL	496 million	\$3.6 trillion	\$3.5 trillion	\$5.4 trillion

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Estimated LGBT share of Household Wealth – LGBT-Wealth

Country/Region	Estimated LGBT share of Household Wealth
China PRC	US\$1,885 billion
Hong Kong	US\$78 billion
India	US\$324 billion
Japan	US\$1,539 billion
Singapore	US\$78 billion
Thailand	US\$28 billion
France	US\$843 billion
Germany	US\$891 billion
Ireland	US\$55 billion
Italy	US\$705 billion
Spain	US\$315 billion
United Kingdom	US\$915 billion
Canada	US\$481 billion
US	US\$6,081 billion
GLOBAL	US\$18 trillion

Sources: Global and National Household Wealth estimates from the Credit Suisse Research Institute publications “*Global Wealth Report 2017*” and “*Global Wealth Databook 2017*”. LGBT related estimates from LGBT Capital.

Note: The Credit Suisse Research Institute estimates the distribution within and across nations of individual net worth, defined as the marketable value of financial assets plus non-financial assets (principally housing and land) less debts.

When considering the wider economic impacts of the LGBT segment and effective LGBT Diversity & Inclusion (“D&I”), these various statistics should be considered alongside profound impacts such as the bottom-line benefits that may be secured for Corporations and Countries/Cities that effectively embrace LGBT D&I. For stock market quoted Corporations such positive impacts should extend to their share price, investor returns, and consumer decisions, i.e. several positive multiplier effects to be enjoyed, in particular by early-movers and effective implementers among Countries/Regions and Corporations realising the potential competitive advantages.

When seeking a more ‘granular’ understanding of the importance and potential of LGBT Purchasing Power to individual countries, it is important to recognise international inbound tourism as a key aspect, potentially allowing countries to import benefits from LGBT communities resident abroad, as well as catalyse the potential held within their own LGBT population. It is generally accepted that LGBT persons on average tend to travel more frequently and on relatively longer trips, and as a result, the LGBT Community has therefore

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been credibly estimated to account for 10% of travel related revenues, significantly in excess of its population share.

Estimated Impacts of LGBT Tourism & Travellers

Country/Region	Estimated GDP share from LGBT International Travel & Tourism	Approximate implied Percentage in GDP
China PRC	US\$4.4 billion	0.04%
Hong Kong	US\$3.8 billion	1.11%
India	US\$2.3 billion	0.09%
Japan	US\$3.3 billion	0.07%
Singapore	US\$1.8 billion	0.57%
Thailand	US\$5.3 billion	1.15%
Vietnam	US\$0.8 billion	0.38%
France	US\$5.1 billion	0.21%
Germany	US\$5.2 billion	0.14%
Netherlands, The	US\$1.8 billion	0.22%
Ireland	US\$1.1 billion	0.34%
Italy	US\$4.0 billion	0.21%
Poland	US\$1.2 billion	0.23%
Spain	US\$6.1 billion	0.46%
United Kingdom	US\$5.6 billion	0.21%
Canada	US\$1.8 billion	0.11%
Mexico	US\$2.1 billion	0.18%
US	US\$24.5 billion	0.13%
Argentina	US\$0.5 billion	0.08%
Brazil	US\$0.7 billion	0.03%
Chile	US\$0.4 billion	0.13%
Colombia	US\$0.6 billion	0.19%
Uruguay	US\$0.2 billion	0.37%

When evaluating GDP impacts for individual countries, the baseline data should take into account the share that international inbound travel currently accounts for in that country's GDP – and consequently, comparisons between countries may therefore also assist a country in analysing and inferring what potential may be offered from inbound LGBT travel, e.g. by benchmarking themselves against countries they would deem (or hope) to be a 'peer' and which may already be capturing a higher percentage of inbound LGBT travel.

It seems clear from much market and spending pattern research that becoming an openly 'LGBT accepting' Country may significantly augment tourism income, both in absolute terms and on a per-visitor basis. For

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example, based only on International Tourism's share of current GDP (as reported by the World Bank), the imputed value of such inbound LGBT tourist and travellers for Thailand can be assessed at about US\$5.3 billion (about 1.15% of overall GDP), whereas for Mainland China (PRC) at US\$4.4 billion the share of overall GDP is estimated as just 0.04% – with the important highlight that these figures exclude the contributions and potential from domestic tourism, of particular importance when evaluating the PRC's status quo and potential.

Southeast Asia, with its very significant recent rise in inbound tourism and GDP contributions, offers potentially highly pertinent evidence of some countries strategy to embrace and promote LGBT tourism, while others fail or elect not to do so. For example, Thailand as the key inbound tourism destination in the region is successfully attracting LGBT travellers, campaigning to project the country as LGBT welcoming and with a recent constitutional court ruling in support of same-sex marriage recognition. In contrast, most of Thailand's regional neighbours have generally been ignoring this market segment, albeit with some recent positive developments, e.g. in Vietnam and Myanmar, as well as steps in the opposite direction, e.g. in Indonesia to the likely significant detriment of its appeal for inbound travellers.

Furthermore, there is also strong anecdotal evidence to suggest that LGBT-friendly countries and cities become magnets for innovators and other business talents, with resulting positive socio-economic impacts to be enjoyed well beyond the Tourism & Travel sector and the LGBT Community itself, e.g. in the form of urban renewal and 'gentrification' of previously economically blighted areas and neighbourhoods.

As Countries fight for Growth and to encourage business and Tourism, the significant value of this demographic can play an important role in bringing about positive change and greater inclusion. For example, the LGBT Community is widely regarded as a key trend-setting segment. As Countries compete for Tourism income, witness the very large number of Tourism Boards globally with programs and campaigns to attract LGBT tourists - and particularly with the significant rise in International travel from China, a Country welcoming the LGBT Community should reap clear economic benefits. In addition, an LGBT Community that is supported locally is more likely to spend money at local businesses and thereby support economic growth, with positive multiplier effects for the local business-to-consumer (B2C) financial planning and investment sector as well.

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