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Business Journal: Pink Purchasing Power Remains Strong

by Kilian Melloy

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Gay and lesbian Americans may not enjoy the political leverage that larger groups wield, and they may be forced to pay more out of pocket than heterosexuals do if they want to have families, but in one respect they command absolute respect, at least in certain quarters: Pink purchasing power packs a punch.

That's true even though some studies show that a greater percentage of gays than straights live below the poverty line, and even though estimates put GLBT Americans at only 4% of the total population in the United States.

The [Philadelphia Business Journal](#) made note of the GLBT America's financial clout in a Sept. 30 article, reporting that the monetary muscle of America's GLBTs flexes to the tune of more than "\$835 billion," a fact that publication said "marketers overlook at their peril."

The article went on to note, "LGBT consumers travel more, own more homes and cars, spend more on electronics, and have the largest amount of disposable

income of any niche market. With the rise of the gay rights movement, 'pink' money has gone from a fringe demographic to a marketer's dream."

The article also reported that it's not simply a matter of cash-in-hand might. Gays tend to be loyal to the brands they like, and pay attention to which companies include them in advertising efforts, as well as their corporate culture.

Business-savvy companies have known this about their gay clientele for some time. In 2008, [EDGE reported](#) that gays prefer to buy from companies that are friendly to the GLBT community. Moreover, it's an elemental truism in advertising that to sell to a demographic, you need to represent that demographic.

The 2008 Prime Access / Planet Out Gay and Lesbian Consumer Study showed that the GLBT community buys products and services from gay-friendly companies early and often.

The study, based on the results of a questionnaire answered by 1,502 respondents from "the general population," as well as 575 respondents from the "gay and lesbian population" for a total of 2,259 respondents, was touted as "one of the largest and most comprehensive studies of gay and lesbian consumer habits and brand perceptions" yet assembled, according to the overview of the study's highlights.

The study showed, among other things, that gays and lesbians are strongly influenced as to whether to go out of their way to find a product, and to buy products, depending on whether they see people like themselves depicted in the product's ads.

For years, commercials in print, online, and in television have courted gays by depicting GLTB individuals and families, whether overtly or by implication. Some ads are so skillfully made that they speak of gays and gay relationships to GLBTs, while straight viewers see only a representation of friends enjoying the advertised product.

In one celebrated ad campaign, Levi's--which has a reputation as being a gay-friendly company--created two versions of a TV commercial. The "straight" version was aired on the larger networks, and the "gay" version appeared on select cable channels. Except for the ending, in which a young woman was shown walking off with the handsome, male central character clad in Levi's in the straight version, and a young man shown heading off with the ad's main character in the gay edition, the two versions were identical.

But companies that anger gay shoppers also risk sending them, and their wallets, to competitors. Last year, retail giant Target [ran afoul of gays](#) when the company made a \$150,000 contribution to an anti-gay group that then funneled the money into the campaign of a gay-unfriendly Minnesota politician.

A video posted at CBS News.com in the wake of the controversial donation showed Target shopper Randi Reitan returning her purchases and informing the store's management as to why she felt she could not buy items there.

"The Target I know was a Target that embraced its gay employees," said Reitan, going on to explain that she was returning things she'd bought for her grandchildren because she has a gay son.

"The items were for my grandchildren, and they love their uncle Jake so much, and Jake is gay, and they wouldn't want to have things coming from a store that contributes to a campaign that would have a governor candidate with the antigay views that Tom Emmer has," said Reitan.

Advertisement



"Target's support of the GLBT community is unwavering, and inclusiveness remains a core value of our company," Gregg Steinhafel, the company's CEO, told the media.

Retailers are not the only ones looking to plump up their coffers by doing business with gays. Cash-strapped cities have started to woo gay travelers. As EDGE reported in a [March 9, 2010, article](#), tourism offices have started to look for ways to attract gays to their cities--a far cry from earlier days when localities seemed intent upon expunging gays from their midst.

"Campaigns actively reaching out to and addressing gay and lesbian travelers might feel more widespread in a recession, as tourism offices scramble to attract whatever travelers they can," the EDGE article noted. "The trend toward targeting is far from new, however."

The article offered Philadelphia as a case in point.

"Over the course of only a few years, Philadelphia used unprecedented marketing toward gay travelers to transform from off-the-radar into being an undeniable factor in the race for the pink dollar," reported the article. "Following in the steps of the city of brotherly love, nearby Atlantic City, N.J., has also launched an aggressive campaign to pull in gay and lesbian visitors."

One of the most compelling arguments for marriage equality has been that gay grooms and lesbian brides will go where they must to tie the knot, even if their marriages might not be honored back home.

Though religious conservatives led a backlash that unseated several state Supreme Court justices after that state legalized marriage equality, Iowa businesses and entrepreneurial individuals celebrated. The advent of marriage equality in Iowa opened the door to new career opportunities.

An April 30, 2009, article at the Des Moines Register related how Beau Fodor, who once worked with The Salvation Army and has previous experience as a window dresser, saw more in the state's embrace of marriage equality than happily-ever-afters for same-sex couples: he saw a chance at a fulfilling new career--as a wedding planner.

Fodor was quoted in the article as saying that, "I never thought in my wildest dreams that I would be a 40-something gay wedding planner. I never saw that coming. But when it did, I just thought, 'OK, I can really do this.'"

But the satisfaction of pursuing new financial opportunities was not the only thing Fodor found gratifying: The newly won access of gay and lesbian families to marriage equality left him feeling that he was "equal and human and the same as everybody else."

Chris Diesel told the newspaper that even if the quantity of gay families tying the knot was not enormous, the quality of their celebrations would be top-notch, and that also would drive commerce.

"The consensus I'm hearing from my friends is that, 'We won't be first, but we will be perfect,' " Diesel said. "For many of us, we've been waiting our whole lives for this opportunity. For most of us, we really want to take our time and do this right."

The article cited a UCLA study from 2008 that projected an economic upturn of as much as \$160 million for the state over the following three years, thanks to marriage equality.

The newspaper noted in a separate article that because nearby states do not offer legal acceptance of gay and lesbian families, Iowa may become an oasis for younger people, who polls show are much more supportive of marriage equality than are older Americans. Over time, that could translate into a welcome flow of tourist dollars and a bigger tax base.

Closing the virtuous circle was the prospect of gay-friendly companies being more likely to open new offices in marriage equality states versus states where same-sex couples are denied family parity.

The arrival of marriage equality made "Iowa overall a more welcoming state," David Redlawsk, a political scientist with the University of Iowa, said. "That's a good thing from the standpoint of businesses who, frankly, are concerned about quality of life issues for their employees."

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