



Businesses support LGBT+ inclusion and civil marriage for same-sex couples in Costa Rica

Costa Rica will become the first Central American country to legalize civil marriage for same-sex couples in May 2020. Open For Business is a coalition of global companies, many of whom are employers and create economic opportunities in Costa Rica. Our coalition partners want to see the continued growth and prosperity of Costa Rica, and so we write in support of the upcoming legalization of civil marriage.

Many companies in Costa Rica are supportive of civil marriage for same-sex couples and understand that a more LGBT+ inclusive Costa Rica will be better for companies and for Costa Rica's overall economic growth.

This is a strong step toward a more open and LGBT+ inclusive society, which is good for business and economic growth on several levels. Increased levels of LGBT+ inclusion can enable Costa Rica to:

- **Develop and attract high-value industries:** Evidence shows that LGBT+ inclusive environments have greater levels of entrepreneurialism, are more innovative and attract more foreign direct investment.
- **Increase tourism and boost national reputation:** Civil marriage for same-sex couples could make Costa Rica more attractive to the growing LGBT+ tourist market.
- **Attract human capital & talent to the country:** Civil marriage for same-sex couples will make it easier for companies to relocate and attract top talent to Costa Rica.
- **Improve business performance:** Companies which are more LGBT+ inclusive, and which operate in LGBT+ inclusive environments, have better financial performance because they have motivated employees who speak up and are more dedicated to the success of the company.



Costa Rica's Economic Opportunity

Inclusive, long-term economic development is a priority for societies around the world, and Costa Rica is no exception. Costa Rica is largely an economic development success story – it is a leader in social and economic development in the region.

But there are still several economic issues affecting the country, particularly inequality and productivity growth. Costa Rica has the highest level of inequality of any country in the OECD, with a Gini coefficient of close to 0.5 (compared to an OECD average of ~0.3).¹ In addition, Costa Rica still faces low levels of productivity. Although productivity has grown in past years, it is still only 36% of the OECD average. The OECD refers to this combination as “the twin challenges of boosting productivity growth and inclusion.”²

As this paper will show, LGBT+ inclusion, which is improved by allowing civil marriage for same-sex couples, is a key ingredient to create long-term, inclusive economic growth in Costa Rica. The evidence presented below will show that LGBT+ inclusive societies are better able to attract high value industries, boost national reputation and tourism, attract talent and create an environment for businesses to thrive.

LGBT+ inclusion is a predictor of economic growth in the global economy.

A growing and increasingly global body of evidence clearly shows that open, inclusive and diverse societies are better able to foster inclusive economic growth. The evidence also shows that discrimination based on sexual orientation or gender identity can damage long-term economic prospects. This is made clear when comparing attitudes towards the LGBT+ population with economic growth metrics. For example:

- Each additional LGBT+ right is associated with \$300 more per capita GDP. Using data going back to the 1960s, Dr Kees Waaldijk developed the Global Index on Legal Recognition of Homosexual Orientation (GILRHO). By correlating this index with GDP data, a study led by Professor Lee Badgett found that one additional right is associated with \$300 more in per capita GDP in emerging economies.³

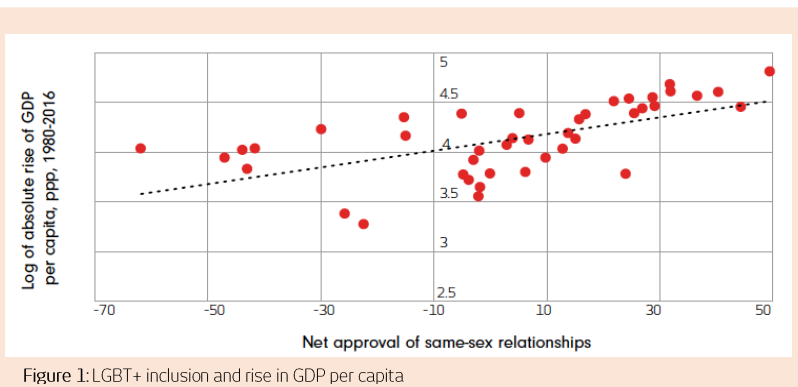


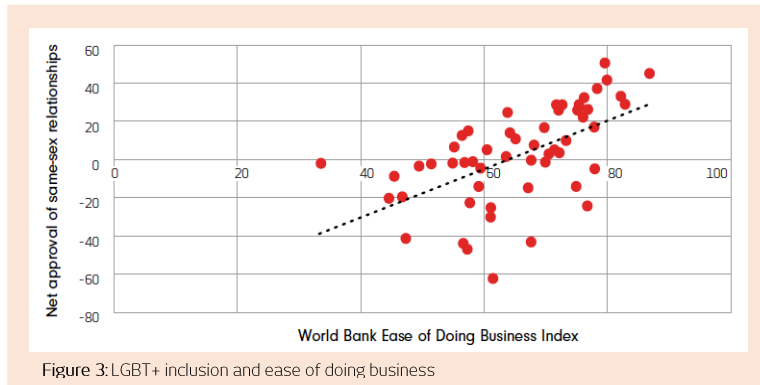
Figure 1: LGBT+ inclusion and rise in GDP per capita

- LGBT+ inclusion is closely related to economic development. Data on LGBT+ tolerance in 43 countries, measuring the degree of support for same-sex relationships published by ILGA is positively correlated (0.61) with the historic absolute rise in GDP per capita between 1980 and 2016.⁴



Figure 2: LGBT+ inclusion and

- LGBT+ inclusive countries are more competitive. The World Economic Forum Competitiveness Index gives a comprehensive assessment of the competitiveness of national economies around the world. Net approval of same-sex relationships is a clear predictor of competitiveness.⁵



- Ease of doing business is higher in LGBT+ inclusive countries. The World Bank publishes annual data on how easy it is to do business in countries around the world. Net approval of same-sex relationships is a clear predictor of how easy it is to do business in a country.⁶

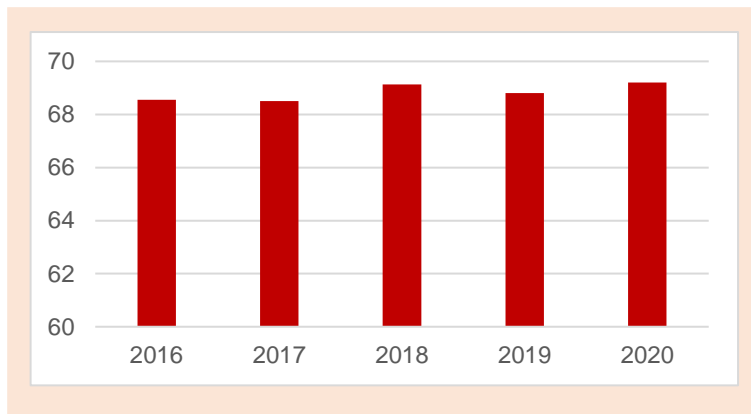


Figure 4: Costa Rica's ranking on the World Bank Ease of Doing Business Index.⁷

- Costa Rica's Ease of Doing Business score has stalled. Costa Rica's performance on the *Ease of Doing Business* index has been stalled since 2015. As the charts above show, higher levels of LGBT+ inclusion predict more competitive economies.

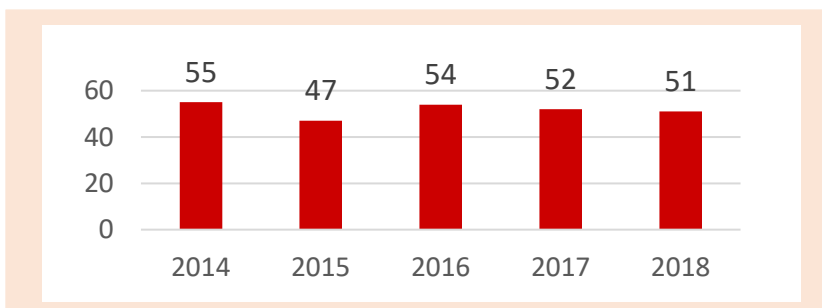


Figure 5: Costa Rica's performance on the WEF Global Competitiveness Report.⁸

- Costa Rica's competitiveness has stalled. Costa Rica's performance on the *WEF Global Competitiveness Report* has stagnated.

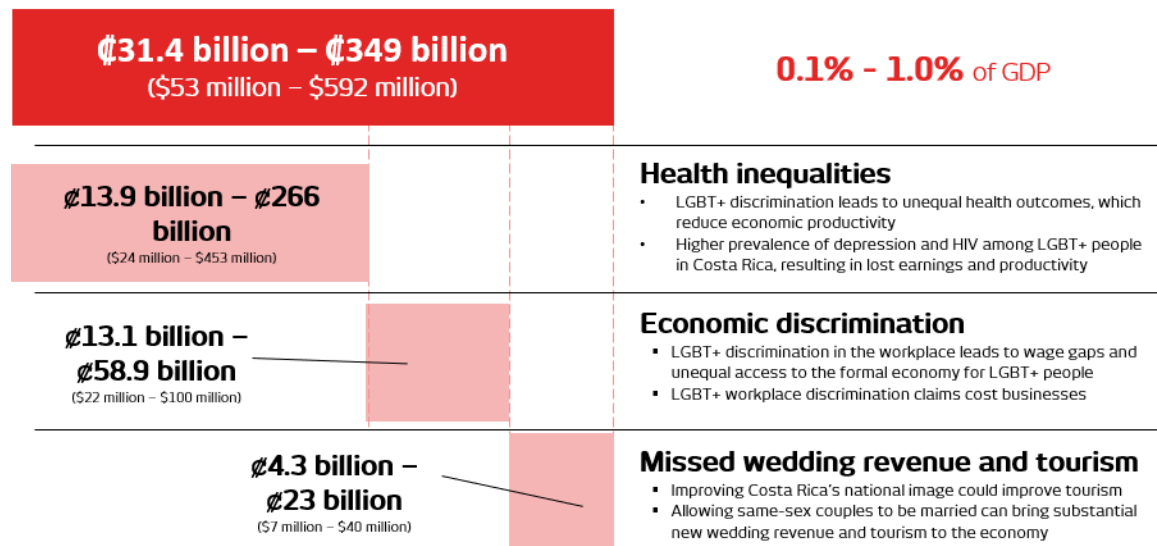
The Economic and Business Case for LGBT+ Inclusion in Costa Rica

As the global data shows above, LGBT+ inclusion is a predictor of competitiveness, economic development and ease of doing business. In addition to these economic trends, LGBT+ inclusion can have a positive impact on Costa Rica's economy in a number of ways, which are outlined in this report.

On the other hand, evidence presented in this report shows that LGBT+ discrimination in Costa Rica has real costs to the economy. These costs come from a number of angles and have been found to occur in economies around the world. In this report, we investigate the impact of unequal health outcomes, economic discrimination and missed revenue of same-sex weddings.

Recent research has shown that LGBT+ discrimination is reduced in countries with marriage equality. Therefore, extending civil marriage to same-sex couples in Costa Rica will be a significant step to creating a society and an economy that is truly inclusive and "open for business".

Every year, LGBT+ discrimination costs Costa Rica:



(i) Develop high-value industries

LGBT+ inclusion can help facilitate a shift to high-value industries and foster innovation.

Costa Rica has many assets that position it to have a thriving start-up sector. Growth in the technology sector and companies settling operations in the San José Metropolitan area has garnered attention from technology companies around the world. San José has started the development of a “technological city encompassing multinational tech-service companies, a university campus and commerce, all in the same area” that is intended to be completed by 2020.⁹

As the Costa Rican economy was previously ‘agribusiness’ based, the importance of innovation and technology has historically been minimized. Currently, only 15% of Costa Rican companies generate innovation that is novel at an international level. Costa Rican officials understand that fostering innovation and attracting high-value industries is vital to the country’s future economic success. Evidence shows that LGBT+ inclusion is a valuable ingredient for this successful transition.¹⁰

LGBT+ inclusive environments are better for innovation and entrepreneurship.

For Costa Rica to continue growing its start-up sector, it needs to establish an “innovation ecosystem”: a globally integrated economy, with a culture of openness and inclusion that allows for a free flow of ideas and human capital to take those ideas to market. Evidence shows that LGBT+ inclusion is a necessary ingredient to create the environment necessary to meet these requirements.

- Research has shown that LGBT+ inclusive cities have higher levels of entrepreneurialism. These entrepreneurs tend to start companies in higher value service sectors.¹¹
- Inclusion attracts the highly skilled “Creative Class” to a city, according to studies.¹² Diversity feeds a “clustering effect” for young talent, and LGBT+ inclusion is a signal of openness and diversity.^{13, 14}
- LGBT+ inclusion is a predictor of high-tech entrepreneurship. In a study of US cities, those with a greater concentration of LGB people had higher concentrations of high-tech industries.¹⁵
- Legalizing civil marriage for same-sex couples creates benefits for LGBT+ owned businesses. Inclusive policies create more opportunity for them to make money and contribute to stronger GDP growth.¹⁶

LGBT+ inclusive environments attract higher levels of foreign direct investment which is a necessary ingredient for Costa Rica to attract and grow high-value industries.

In addition to fostering a thriving innovation ecosystem, a focus on LGBT+ inclusion can attract strong foreign direct investment (FDI), which can supercharge innovation and growth.

- Correlating FDI data with the Pew Global Attitudes survey shows that inward FDI flows are positively correlated with societal acceptance of homosexuality as a way of life and that more tolerant countries also have better sovereign debt ratings.¹⁷
- Quality of life factors, such as tolerance for LGBT+ people, help attract the international workforce and investment required for high value industries. They are “equally important” factors as infrastructure, education and personal and political security.^{18, 19, 20}
- Many global companies are factoring inclusion and diversity into their expansion and investment decisions.²¹ Attracting these companies is essential for developing high-value industries.

LGBT+ inclusion can help Costa Rica's businesses connect more easily with global markets.

Companies and organizations trading in the global marketplace tend to be those which have implemented global standards for diversity and inclusion. Therefore, local companies in countries that foster a culture of diversity and inclusion may find it easier to tap into global markets.

- An increasing number of global companies are beginning to incorporate LGBT+ inclusion into their supplier codes of conduct, and these companies are more likely to work with suppliers in countries that are LGBT+ inclusive. For example, the Newell Brand, of which Rawlings Sporting Goods is a subsidiary, prohibits LGBT+ discrimination in their supply chain.²²
 - A study by Open For Business and the Boston Consulting Group found that companies operating in cities that are LGBT+ inclusive are twice as likely to foster LGBT+ inclusive workplaces.²³ Companies that have LGBT+ workplaces see several financial benefits. See page 8 for more information.
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(ii) Boost national reputation and develop tourism

LGBT+ inclusion can improve Costa Rica's national reputation and could add up to ~~€~~4.3 billion to the economy.

Costa Rica is renowned for beautiful scenery, tourism and biodiversity. It receives about 3 million travelers every year. The Costa Rican tourism industry accounts for about \$3.5 billion in revenues and is expected to grow at ~6% a year through 2021.^{24,25}

Costa Rica is known as an attractive destination and it has historically positioned itself to be a peaceful and safe destination.²⁶ However, an increase in violence against LGBT+ people has been reported: four LGBT+ people are murdered every day in Latin America and the Caribbean.²⁷ Civil marriage for same-sex couples will allow Costa Rica to differentiate itself as a destination that is welcoming of everyone, which in turn could attract more tourists and revenue from additional weddings.

LGBT+ inclusion, signaled by civil marriage for same-sex couples, could improve a country's image and unlock a new segment of tourists.

- According to the Second UNWTO Global Report on LGBTQ Tourism, LGBT+ travellers demonstrate higher-than-average spending on travel.²⁸
- Civil marriage for same-sex couples is a vital indicator for LGBT+ travellers to determine if a destination is welcoming or not.²⁹ It has "become shorthand for that country's acceptance of ethnic and sexual minority groups as a whole."³⁰
- Several studies found a significant economic impact of same-sex civil marriage:
 - In the state of California, almost \$400 million after the first three years of legalization.³¹
 - In the UK, approximately £14.4 million extra spending in the economy.³²
 - In New York City, after the first year of legalization, \$259 million in local economic impact.³³
- Virgin Holidays found that two thirds of British travellers refuse to visit a location with unwelcoming attitudes towards the LGBT+ community.³⁴
- An Open For Business study published in 2015 found that 51% of all US and UK consumers are unlikely to go on a holiday to a country that has anti-LGBT+ laws.³⁵

'Country Brands', a signifier of a country's national reputation, have become an important focus for LGBT+ travelers.

Costa Rica is the most visited destination in Central America.³⁶ The saying 'Pura Vida' (or simple life) has become an important element of Costa Rica's 'Country Brand'. Despite being voted one of the happiest countries in the world, lack of acceptance of LGBT+ individuals could be impacting the tourism sector.³⁷

- Lack of acceptance of minorities such as LGBT+ individuals, may damage the national reputation of a country and greatly impact Costa Rica's ability to develop sustainable, innovative and inclusive travel.^{38, 39}
- 10% of the foreigners visiting Costa Rica identify as LGBT+. Canatur, the Costa Rican national tourism chamber, recently highlighted the importance of respecting the rights of LGBT+ travellers to prevent a decrease in the number of visitors.⁴⁰

(iii) Attract talent and improve national productivity

LGBT+ inclusion can help combat Costa Rica's human capital issues and boost the productivity of workers.

Costa Rica suffers from three main human capital challengers. First, and most importantly, it struggles to attract young people, which are currently scarce in the workforce. Second, it has an aging population. And finally, the country has high levels of gender inequality.^{41, 42} Costa Rica's human capital has been referred to as 'scarce and fragile'. A key national initiative looks to increase the quantity and quality of human capital.⁴³

LGBT+ inclusion, signaled by allowing civil marriage for same-sex couples, could help Costa Rica fight against these challenges by attracting skilled workers and boosting national productivity.

Civil marriage for same-sex couples can make it easier for global companies to relocate and attract top talent to Costa Rica.

- Many multinational companies offer equal benefits for their employees, regardless of sexual orientation. Despite laws which do not recognize civil marriage for same-sex couples, 81% of global companies offer equal life, medical and retirement benefits for LGBT+ couples.⁴⁴ However, this is administratively burdensome and costly for companies that operate in markets that do not recognize civil marriage for same-sex couples, such as Costa Rica. A study in the US found that unequal marriage laws in 2014 cost companies \$1.1 billion total, with a cost of up to \$250,000 per company.⁴⁵ These costs undoubtedly exist in Costa Rica as well.
- Evidence from Europe shows that the divergence between countries when it comes to the legal recognition of same-sex relationships creates significant practical barriers to mobility. The European Parliamentary Research Service reported that 'same-sex couples and their families may currently experience significant and disproportionate obstacles when moving around the EU'.⁴⁶ The patchwork of same-sex marriage laws in Central & South America create similar obstacles.

LGBT+ discrimination acts as a drag on national productivity by creating an inefficient allocation of human capital.

- Discrimination creates economic inefficiencies, which cause unemployment, underemployment, wage gaps and lower productivity. In Kenya, for example, this discrimination has been found to cost \$105 million per year.⁴⁷
- The World Bank and the Williams Institute conducted studies that estimated labor losses due to LGBT+ discrimination cost the Indian economy as much as \$30.8 billion in 2012 and the Indonesian economy \$12 billion in 2015.⁴⁸

LGBT+ inclusive societies have higher concentrations of skills and talent.

The ability of same-sex couples to marry could be the deciding factor for many talented and skilled workers to seek work in Costa Rica.⁴⁹

- Attitudes of tolerance towards same-sex relationships are a factor that attracts highly skilled workers to a city, according to a study which compared data across a ten-year period.⁵⁰ The study, which focused on Switzerland, found that "the tolerance index for same-sex partnerships has a strong significant influence" on the decisions of highly skilled workers to live in a city.
- A survey of skilled workers who had moved to one of 13 cities found that motivating factors included "hard factors" (transport, connectivity, etc) and "soft factors" (openness, diversity and culture).⁵¹ The survey found that "gay/lesbian friendliness" was a factor considered by skilled workers. This is likely to send a clear signal about the culture of the city – the crucial "icing on the cake".

(iv) Stronger business performance

Civil marriage for same-sex couples can enable companies to be more competitive and perform better.

There is a strong evidence base which shows that LGBT+ inclusive companies perform better and are more competitive. However, businesses cannot see the full benefit of their inclusion and diversity efforts when their employees are not able to freely be themselves inside and outside the workplace. The Human Rights Watch's LGBT+ Advocacy Director notes that the Costa Rican business community is "...very adamant about introducing LGBT+ friendly workplace policies..." as "[t]hey realized that once they started implementing these policies, their LGBT+ employees felt safe, were less sick, worked harder and were better motivated".⁵²

LGBT+ inclusive companies have better financial performance.

- LGBT+ inclusive companies have better share price performance. A basket of 275 companies with openly LGBT+ management, companies considered to be leading on LGBT+ inclusion, or companies whose employees are members of local LGBT+ business networks, outperformed global stocks and benchmarks, according to a Credit Suisse study.⁵³
- Using a four-year longitudinal dataset of public firms in the U.S., a study shows that firms with more "corporate sexual equality" have higher stock returns and higher market valuation.⁵⁴
- LGBT+ inclusive companies have higher cash flow. A study of 450 global companies (with revenues above \$750M) shows that inclusive companies had 2.3 times higher cash flow per employee over a three-year period. The effect is even greater for smaller companies, which had 13 times higher mean cash flow from operations.⁵⁵
- 50 of the top Fortune 500 companies found that productivity is one of the most frequently mentioned commercial benefits for implementing LGBT+ inclusive policies.⁵⁶

LGBT+ inclusive companies have higher levels of innovation and collaboration.

- LGBT+ inclusive companies have more innovative cultures. 62% of employees at LGBT+ inclusive companies say their team is not afraid to fail. This is compared to only 47% which say the same at less inclusive companies.⁵⁷
- Academic studies show that diverse workplaces outperform more homogeneous groups through new perspectives, fresh ideas, and better decisions because diversity triggers "more careful processing of information".⁵⁸

LGBT+ inclusive societies empower companies to meet global best practices on inclusion and excel on a global stage.

- There is a direct connection between a company's support for LGBT+ inclusion and its ability to connect with global markets. Companies who are leaders on LGBT+ inclusion see a 20-percentage point higher proportion of international revenue than those that have no evidence of publicly available non-discrimination policies.⁵⁹

Methodology and Sources

This section sets out the basis for key conclusions presented in this report, in particular:

- A Methodology for additional revenue from same-sex weddings -
 - Costa Rican Citizens
 - Destination Weddings
- B Methodology for cost of unequal health outcomes
- C Methodology for cost of Lost Productivity

Methodology for additional revenue from same-sex weddings

The methodology for estimating the added revenue to Costa Rica's economy for the three years following legalization of same-sex marriage was based on the research conducted by the Independent Democratic Conference's 2011 analysis of civil marriage for same-sex couples in the US state of New York.⁶⁰ A 'high' and 'low' scenario for each calculation was used to reflect the different estimations of the size of the LGBT+ population that would potentially choose to marry in Costa Rica. This creates a conservative range for the economic revenue to prevent an overestimate of the added revenue.

To arrive at an additional revenue number, we estimate the number of same-sex weddings that will occur and how much those weddings will bring to the economy. We include two categories of weddings, one for Costa Ricans who will finally be able to be married and one for same-sex couples from abroad who choose to marry in Costa Rica.

Number of Costa Rican Same-Sex Weddings Likely to Occur Following Same-Sex Marriage Legalization

1. The current population of Costa Rica is 4,999,441.⁶¹ Of those, a low value of 1% and a high value of 4.5% were utilized to determine the range of the number of LGBT+ individuals in the Costa Rican population. This range is **49,994 – 224,975**.
2. Of the number of LGBT+ individuals in the Costa Rican population, a conservative estimate of 25% was used to estimate the number of those individuals that are couples. This range is **12,499 – 56,244** individuals in a couple, or **6,249 – 28,122** couples.
3. Of the number of LGBT+ couples in the Costa Rican population, a conservative estimate of 25% was used to estimate the number of same-sex weddings that would potentially occur. This range is **1,562 – 7,030** weddings.

Number of Destination Weddings Likely to Occur Following Same-Sex Marriage Legalization

Various articles written on the economic impact of marriage equality argued that the first US state to legalize same-sex marriage would reap a windfall added to its economy. As Costa Rica would be the first Central American country to legalize same-sex marriage, the same rationale is likely to hold true. And, Costa Rica was noted as one of the six top destination wedding locations for 2018 by Travel Pulse.⁶²

An estimated 136,000 international destination weddings are chosen by US couples. The leading Caribbean locations for US couples are the US Virgin Islands, Jamaica and the Bahamas – each is chosen by approximately 5000 couples annually. As specific figures for the number of US or international couples choosing to marry in Costa Rica was not available; an estimate of 5000 couples was used.⁶³ We believe this is a conservative number, as it is likely that couples of other nationalities, both from Latin America and other locations, will also travel to Costa Rica for their destination weddings.

- To calculate the potential number of destination weddings that would be held in Costa Rica by foreign same-sex couples we estimated that 3 – 8% of destination weddings will include same-sex couples. This is in line with estimates of the size of the LGBT+ population in the US. Of the potential 5,000 Costa Rican destination weddings, a low value of 3% and a high value of 8% were utilized as the estimated number of LGBT+ couples globally. This range is **150 – 400**.

	Low Estimation of Number of Weddings	High Estimation of Number of Weddings
Costa Rican Residents	1562	7030
Destination Weddings	150	400
Total	1712	7430

Same-sex Couples Who Will Marry in Costa Rica in the First 3 Years After Same-Sex Marriage Legalization

Cost of a Costa Rican Wedding

Experts report that the total cost of a wedding in Costa Rica is typically $\text{€}3,000,000$ (~\$5,300)⁶⁴. The New York Comptroller's Office and the Williams Institute have both reported that same-sex couples spend less on their weddings as they are less likely to have financial support from family members. Also, according to Lee Badgett, research director at the Williams Institute and Professor of Economics at the University of Massachusetts, Amherst, many same-sex couples will rush to the altar soon after same-sex marriage legalization. As result, less planning and expenses are likely to occur.⁶⁵ With this in mind, we use a range of **\$4,250 to \$5,100** for the cost of a wedding.

Cost of a Destination Wedding in Costa Rica

On average, destination weddings for couples coming from the US cost \$28,000.⁶⁶ However, data from Costa Rica suggests that a conservative amount spent by foreign couples getting married in Costa Rica averages \$500/person for a 10 to 20-person wedding. As such, we use a range of **\$5,000 to \$10,000** per wedding.

	# of Same-sex couples - low	# of Same-sex couples - high	Cost of Wedding	Possible revenue - low	Possible revenue - high
Costa Rican Residents	1562	7030	\$4,250 - \$5,100	\$6,639,883	\$35,855,366
Destination Weddings	150	400	\$5,000 - \$10,000	\$750,000	\$4,000,000
Total	1712	7430		\$7,389,883	\$39,855,366

Wedding Revenue in the First Three Years Following Legalization of Same-sex Marriage

Methodology for the economic cost of unequal health outcomes

The methodology for estimating the cost to Costa Rica's economy due to unequal health outcomes in the LGBT+ community is based on the World Bank analysis of India, which is itself based on global best practices for determining economic impacts of disease.⁶⁷

The health impact measure used to determine the total cost is the disability-adjusted life years (DALYs) for the health condition. This is recommended by the World Health Organization's Commission on Macroeconomics and Health. It reflects the total of years of life lived with a disability and years of life lost due to the health condition. DALYs reflect the cumulative years of lost economic output.

We used a "high" and "low" scenario for each calculation to reflect different estimations of the size of the LGBT+ population and the prevalence rate of the health issues. This creates a conservative range for the economic cost to ensure we do not overestimate these costs.

The current population of Costa Rica is 4,999,441.⁶⁸ Of those, a low value of 1% and a high value of 4.5% were utilized to determine the range of the number of LGBT+ individuals in the Costa Rican population. This range is 49,994 - 224,975.

HIV/AIDS numbers

To determine the economic impact of an increased prevalence of HIV/AIDS due to LGBT+ discrimination, we used the following numbers. For the prevalence of HIV/AIDS in the general population, a low value of 0.4% and a high value of 2.47% were utilized. 0.4% is the value reported by UNAIDS in the 2018 Costa Rica Country Factsheet.⁶⁹ As the 0.4% prevalence rate of HIV/AIDS in Costa Rica seemed lower than typically seen in other developed countries, 2.47%, the average of the prevalence rate in Denmark, Finland and Sweden was utilized as the high value.⁷⁰

The steps of the calculation for the low scenario are below:

1. Calculate the excess prevalence of HIV/AIDS for MSM people. This assumes that MSM people would see similar levels of disease as the general population in the absence of LGBT+ discrimination.
Low Excess MSM prevalence rate = HIV/AIDS prevalence in MSM population – HIV/AIDS prevalence in a sampling of developed countries is equal to $12.7\% - 2.47\% = 10.23\%$.⁷¹
2. Use the excess prevalence rate multiplied by the estimated population of MSM people to identify the number of MSM people with the health condition due to LGBT+ discrimination. The UNAIDS report for 2017 estimated the size of the MSM population in Costa Rica was 33,208.⁷² This is equal to: $10.23\% \times 33,208 = 3,398$.
3. Use the excess prevalence rate of the transgender population with HIV/AIDS by the estimated population of transgender people with the health condition due to LGBT+ discrimination. This is equal to: $10.23\% \times 416 = 43$.⁷³
4. Calculate the total prevalence of MSM and transgender population with HIV/AIDS due to LGBT+ discrimination by adding the excess # of MSM to the excess # of transgender. This is equal to: $3,398 + 43 = 3,441$
5. Determine what proportion of the total population has the health condition due to LGBT+ discrimination. Take the excess number of LGBT+ people with HIV/AIDS divided by total Costa Rican's with HIV/AIDS (Costa Rica's population X 0.4% prevalence rate). This is equal to: $3,441 / 19,998 = 17.2\%$.
6. Use that proportion multiplied by the total number of DALYs for the health condition to determine the number of DALYs attributed to LGBT+ discrimination. This is equal to: $17.2\% \times 7,751 = 1,333$.⁷⁴
7. Multiply the number of DALYs by one to three times per capita income to calculate lost economic output, as recommended by the World Health Organization. This is equal to: $1,333 \times \$16,6700.00 = \$22,231,993$.⁷⁵

The steps of the calculation for the high scenario are below:

1. Calculate the excess prevalence of HIV/AIDS for LGBT+ people. This assumes that LGBT+ people would see similar levels of disease as the general population in the absence of LGBT+ discrimination.
High Excess prevalence rate = HIV/AIDS prevalence in LGBT+ population – HIV/AIDS prevalence in general population is equal to $12.7\% - 0.4\% = 12.3\%$.⁷⁶
2. Use the excess prevalence rate multiplied by the estimated population of LGBT+ people (Costa Rica's population male population (~2.5 million) X 4.5% prevalence rate) to identify the number of LGBT+ people with the health condition due to LGBT+ discrimination. This is equal to: $12.3\% \times 112,500 = 13,838$.
3. Use the excess prevalence rate of the transgender population with HIV/AIDS by the estimated population of transgender people with the health condition due to LGBT+ discrimination. This is equal to: $12.3\% \times 416 = 51$.⁷⁷
4. Calculate the total prevalence of MSM and transgender population with HIV/AIDS due to LGBT+ discrimination by adding the excess # of MSM to the excess # of transgender. This is equal to: $13,838 + 51 = 13,889$
5. Determine what proportion of the total population has the health condition due to LGBT+ discrimination. Take the excess number of LGBT+ people with HIV/AIDS divided by total Costa Rican's with HIV/AIDS (Costa Rica's population X 0.4% prevalence rate). This is equal to:

$$13,889 / 19,998 = 69.5\%.$$

6. Use that proportion multiplied by the total number of DALYs for the health condition to determine the number of DALYs attributed to LGBT+ discrimination. This is equal to: $69.5\% \times 10,129 = 7,035$.⁷⁸
7. Multiply the number of DALYs by one to three times per capita income to calculate lost economic output, as recommended by the World Health Organization. This is equal to: $7,035 \times \$50,010.00 = \$351,805,466$.⁷⁹

*Note: numbers have slight variance due to rounding.

Depression numbers

To determine the economic impact of an increased prevalence of depression due to LGBT+ discrimination, we used the following numbers. The prevalence rate of depression in the Costa Rican population is 4.7%.⁸⁰ For the prevalence of depression in the LGBT+ population, a low value of 7.1% and a high value of 11.8% were utilized. This is based on a literature search stating that depression rates in the LGBT+ population are generally 1.5 to 2.5x that of the general population.⁸¹

The steps of the calculation for the low scenario are below:

1. Calculate the excess prevalence of depression for LGBT+ people. This assumes that LGBT+ people would see similar levels of disease as the general population in the absence of LGBT+ discrimination.
Excess prevalence rate = prevalence in LGBT+ population – prevalence in general population is equal to $7.1\% - 4.7\% = 2.4\%$.
2. Use the excess prevalence rate multiplied by the estimated population of LGBT+ people to identify the number of LGBT+ people with the health condition due to LGBT+ discrimination. This is equal to: $2.4\% \times 49,994 = 1,175$.
3. Determine what proportion of the total population has the health condition due to LGBT+ discrimination. Take the excess number of LGBT+ people with depression divided by total Costa Rican's with depression. This is equal to:
 $1,175 / 224,975 = 0.5\%$.
4. Use that proportion multiplied by the total number of DALYs for the health condition to determine the number of DALYs attributed to LGBT+ discrimination. This is equal to: $0.50\% \times 17,736 = 88.7$.⁸²
5. Multiply the number of DALYs by one to three times per capita income to calculate lost economic output, as recommended by the World Health Organization. This is equal to: $88.7 \times \$16,670.00 = \$1,478,295$.⁸³

The steps of the calculation for the high scenario are below:

1. Calculate the excess prevalence of depression for LGBT+ people. This assumes that LGBT+ people would see similar levels of disease as the general population in the absence of LGBT+ discrimination.
Excess prevalence rate = prevalence in LGBT+ population – prevalence in general population is equal to $11.8\% - 4.7\% = 7.1\%$.
2. Use the excess prevalence rate multiplied by the estimated population of LGBT+ people to identify the number of LGBT+ people with the health condition due to LGBT+ discrimination. This is equal to: $7.1\% \times 224,975 = 15,861$.
3. Determine what proportion of the total population has the health condition due to LGBT+ discrimination. Take the excess number of LGBT+ people with depression divided by total Costa Rican's with depression. This is equal to:
 $15,861 / 234,974 = 6.8\%$.
4. Use that proportion multiplied by the total number of DALYs for the health condition to determine the number of DALYs attributed to LGBT+ discrimination. This is equal to: $6.8\% \times 29,887 = 2,017$.⁸⁴
5. Multiply the number of DALYs by one to three times per capita income to calculate lost economic output, as

recommended by the World Health Organization. This is equal to: $2,017 \times \$50,010.00 = \$100,887,486$.⁸⁵

*Note: numbers have slight variance due to rounding.

Productivity Methodology

LGBT+ discrimination costs the Costa Rican economy as a result of lost earning potential of LGBT+ employees. As no specific data were found documenting the heterosexual vs homosexual pay gap in Costa Rica, we considered data on the gender pay gap instead. In 2018, Statista reported that Costa Rican women's income was 41% lower than Costa Rican men.⁸⁶ Based on the significant gender pay gap, we made a reasonable assumption that the LGBT+ pay gap is 10%.

The steps of the calculation are:

- Determine the average annual earning of Costa Rican employees based on average hourly earnings of 2,998 ₡. The average annual earning is = $2,998 \text{ ₡} \times 40 \text{ hrs/wk} \times 50 \text{ weeks in a year} = 5,996,000 \text{ ₡}$.⁸⁷
- Calculate the earnings lost per LGBT individual using research showing that homosexual male employees earn 10% less than heterosexual male employees.⁸⁸ This is = $5,996,000 \text{ ₡} \times 10\% = 599,600 \text{ ₡}$.
- The Costa Rican workforce is 2,183,195.⁸⁹ An estimated 0.1% to 4.5% of the workforce are LGBT+. This range is 21,832 – 98,244.
- Calculate the total lost wages of workforce LGBT+ employees. This range is 13,090,437,220 ₡ – 58,906,967,490 ₡.

*Note: numbers have slight variance due to rounding.

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