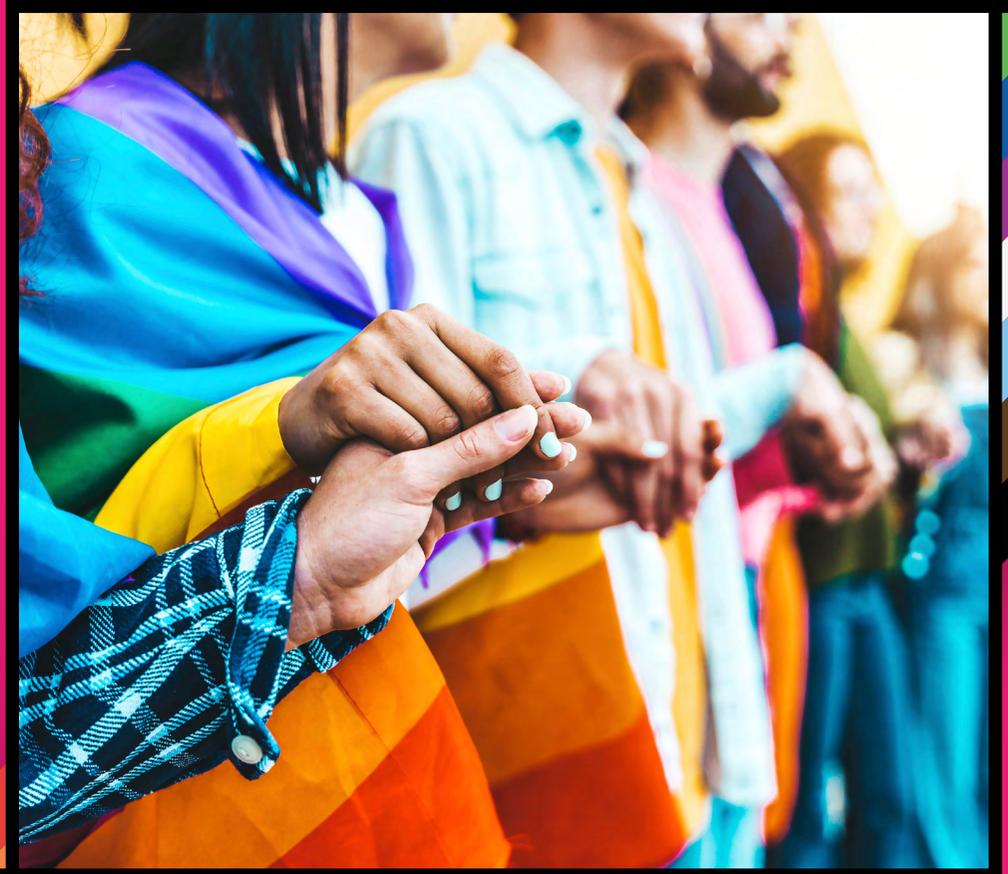


# OVERCOMING HATE: Social enterprise solutions for the LGBTQ+ movement

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# ACKNOWLEDGEMENTS

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This report briefly reviews the ecosystem of LGBTQ+ support provision, the profile of social enterprise support within this, and then seeks to understand the potential for social enterprise models to address gaps and needs across this provision.



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Social enterprises are  
businesses  
that trade for  
a social or  
environmental  
purpose



# INTRODUCTION

**Social enterprises are businesses that trade for a social and/or environmental purpose – do they offer a solution to the capacity and funding gaps in provision for the UK’s LGBTQ+ community?**

In 2024, founder and CEO of Micro Rainbow, Sebastian Rocca, suggested that the LGBTQ+ movement needs more social enterprises<sup>1</sup>. Subsequent discussions with Social Enterprise UK in 2025 have led to this paper, where we attempt to explore if social enterprise models can help drive sustainable change.

Around 1.5 million people in the UK openly identify as LGBTQ+, according to the 2021 census. Despite a broadly positive trajectory in terms of LGBTQ+ rights over recent decades, the last few years have seen an increase in negative attitudes and more recently less progressive political engagement in this country. From healthcare, to housing, social isolation, to education, the LGBTQ+ community experience unequal and often unique support needs, necessitating tailored support services and wider engagement across society.

Much of this tailored provision comes from the voluntary, community and social enterprise (VCSE) sector – and given the increasing pressures on funding for VCSEs across the board and indications that the LGBTQ+ space faces specific and acute challenges, this report sets out to understand whether social enterprise models offer potential solutions to sustain and expand provision for the LGBTQ+ community in the UK.



**AROUND  
1.5 MILLION**  
people in the UK  
openly identify  
as LGBTQ+



<sup>1</sup> <https://medium.com/illumination/we-need-more-lgbt-social-enterprises-this-is-why-e6fa0dd89afb>

# INTRODUCTION (CONTINUED)

In order to achieve this, we reviewed and summarised literature on LGBTQ+ service provision across VCSE organisations, specifically social enterprises led by and run for the benefit of LGBTQ+ people, and LGBTQ+ led businesses more generally. We also looked at State of Social Enterprise survey data from 2023 and 2025 on social enterprises led by LGBTQ+ people, and social enterprises that work for and with the LGBTQ+ community as part of their organisational mission or delivery. Lastly, we presented this evidence to a small focus group of LGBTQ+ leaders running social enterprises that deliver goods and services for the LGBTQ+ community and discussed with them the operating context for LGBTQ+ social enterprises<sup>2</sup>.

The paper is predominantly interested in organisations that support the LGBTQ+ community. However, many such organisations are also LGBTQ+ led. As such, the report also looks at evidence on LGBTQ+ leaders and founders – mainly due to the limited specific evidence on LGBTQ+ purpose organisations, and also to understand the wider context of challenges felt by people from and working with the LGBTQ+ community.

**LGBTQIA+ stands for lesbian, gay, bisexual, transexual, queer, intersex and asexual. The shortened version – LGBTQ+ - is used in this report. “LGBTQ+” is used to denote those who identify as lesbian, gay, bisexual, transgender, queer and ‘other’, while acknowledging that there are many alternative terms for these populations. The “+” or “other” indicates that this definition is meant to be inclusive of all who identify as part of the spectrum, including, for example, non-binary, and other queer identities (Walker, 2025). More information on terminology can be found [here](#).**

<sup>2</sup> This group comprised 4 social enterprise leaders 3 of whom had founded LGBTQ+ mission social enterprises and one of whom worked in a leadership role at a diversity and inclusion social enterprise.

The report is predominantly interested in organisations that support the LGBTQ+ community.



Diversity Trust team members including Joni Clark, Julie Cheung, Colse Leung and Almenia Comrie. Watershed Bristol (July 2024)



# KEY FINDINGS

There is limited literature on all aspects of LGBTQ+ support provision, LGBTQ+ businesses, LGBTQ+ focused charities, and on social enterprises run by and/or for LGBTQ+ people



The concerning regression in the progress of rights for LGBTQ+ people is impacting provision, particularly in the form of corporate sponsorship and grant funding

The contraction of available non-repayable finance validates a hypothesis that the **SUPPORT INFRASTRUCTURE IS LIKELY OVER-DEPENDENT ON GRANT INCOME** and needs to diversify, and that a **TRADING SOCIAL ENTERPRISE MODEL MAY BE A SOLUTION**



LGBTQ+ social enterprises related to the LGBTQ+ community are smaller in terms of both employees and turnover compared to other social enterprises. They are more reliant on grants, more likely to be a CIC and face greater barriers to accessing finance compared to social enterprises more widely



As such, whilst a social enterprise model may be a constructive solution to addressing the scale and sustainability of service provision to LGBTQ+ communities, at present even existing LGBTQ+ led and social enterprises which support LGBTQ+ people are on the back foot in terms of support, funding and finance



# THE LGBTQ+ COMMUNITY IN THE UK

Around 1.5 million people in the UK openly identify as LGBTQ+, based on 2021 census data. A section of society frequently discriminated against, attitudes and legislation over the previous few decades have broadly enhanced LGBTQ+ rights and inclusion in the UK, with the removal of Section 28, introduction of same-sex marriage, and more tolerant public attitudes. 2023 research indicated that 66% of the British public think that 'homosexuality is justifiable', up from 12% in 1981<sup>3</sup>. 2022 Stonewall research found that just 53% of Gen Z people are exclusively straight, and 40% have a pattern of attraction that could be described as queer (i.e. outside the scope of exclusively heterosexual attractions between cisgender people).

However, only a quarter of the population believe that LGBTQ+ rights have not gone far enough<sup>4</sup>. The UK has regressed in its position on LGBTQ+ rights in international standings, slipping from first in 2015 to 22<sup>nd</sup> in 2025 according to the ILGA-Europe Rainbow Index<sup>5</sup>. This despite nearly two-thirds believing that 'people from LGBTQ+ communities face at least a fair amount of discrimination'<sup>6</sup>. A concern backed up in data:

- **2023 statistics revealed a 112% rise in hate crimes on the basis of sexual orientation in the last five years<sup>7</sup>**
- **The anti-rights movement in the UK has spent £106 million on attacking LGBTQ+ and reproductive rights from 2019-2023<sup>8</sup>**

<sup>3</sup> <https://www.kcl.ac.uk/policy-institute/assets/social-attitudes-in-the-uk-and-beyond-pub01-116.pdf>

<sup>4</sup> <https://www.ipsos.com/en-uk/sexual-orientation-and-attitudes-lgbtq-britain>

<sup>5</sup> <https://www.ilga-europe.org/report/rainbow-map-2025/> - ranks European countries on their legal and political attitudes towards LGBTQ+ people.

<sup>6</sup> [Ibid](#)

<sup>7</sup> <https://www.stonewall.org.uk/news/new-data-rise-hate-crime-against-lgbtq-people-continues-stonewall-slams-uk-gov->

<sup>8</sup> <https://www.amnesty.org.uk/anti-rights>

<sup>9</sup> <https://yougov.co.uk/politics/articles/51545-where-does-the-british-public-stand-on-transgender-rights-in-202425>

2023 statistics revealed a **112%** rise in hate crimes on the basis of sexual orientation in the last five years<sup>7</sup>



QueerAF podcast recording, 'How do we tell trans+ history, so we can all learn from it?' Recorded at Clifford Chance, Canary Wharf May 6th, 2025, London



# THE LGBTQ+ COMMUNITY IN THE UK (CONTINUED)

- **YouGov polling in 2025 found increased scepticism towards transgender rights and a drop in more permissive stances towards gender identity<sup>9</sup>**

Regressed attitudes and outcomes for LGBTQ+ people are broadly attributed to recent political and social ‘culture wars’ fuelling a reopening of discriminatory narratives, and to legislative decisions such as the United Kingdom Supreme Court’s 2025 ruling that a woman is defined by biological sex under the Equalities Act.

This ongoing hostility towards LGBTQ+ identities has consequences for individuals of marginalised genders and sexualities. The UK government’s most recent National LGBT Survey (2018) found that LGBTQ+ people are more likely to experience lower life satisfaction than the general UK population and that LGBTQ+ people continue to face barriers to full participation in public life, including avoiding being open about their sexual orientation, and having experienced verbal or physical harassment because of their LGBTQ+ identity<sup>10</sup>. There is a higher prevalence of mental health issues amongst LGBTQ+ people than the general population, correlated to social exclusion. Stonewall data<sup>11</sup> confirms inequalities in all aspects of public life, including inclusive access to education, healthcare, and housing.

All LGBTQ+ people face obstacles related to their identity, but these obstacles disproportionately impact LGBTQ+ individuals from other marginalised backgrounds. Over half of Black, Asian, and minority ethnic LGBTQ+ people (51%) have experienced discrimination from members of their local LGBTQ+ community because of their ethnicity<sup>12</sup>. Additionally, homelessness is disproportionately experienced by LGBTQ+ refugees (39%) and asylum seekers (41%)<sup>13</sup>.

<sup>10</sup> <https://assets.publishing.service.gov.uk/media/5b3cb6b6ed915d39fd5f14df/GEO-LGBT-Survey-Report.pdf>

<sup>11</sup> <https://www.stonewall.org.uk/resources/lgbtq-facts-and-figures>

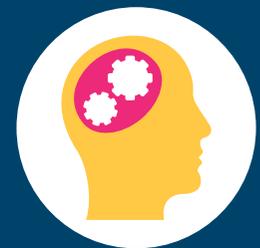
<sup>12</sup> [https://files.stonewall.org.uk/production/files/lgbt\\_in\\_britain\\_home\\_and\\_communities.pdf?dm=1725396243](https://files.stonewall.org.uk/production/files/lgbt_in_britain_home_and_communities.pdf?dm=1725396243)

<sup>13</sup> <https://microrainbow.org/wp-content/uploads/2024/09/Held-Back-Poverty-of-LGBTQI-Refugees.pdf>



Members of Micro Rainbow’s community of LGBTQ+ people seeking safety taking part in a workshop. Credit: Sarah Emma Smith

There is a higher prevalence of mental health issues amongst LGBTQ+ people than the general population, correlated to social exclusion



# LGBTQ+ SUPPORT ECOSYSTEMS

**To understand the status quo for LGBTQ+ provision and potential for social enterprise model solutions, we looked at the context of the provision that exists, the organisations, funding and finance that support this, and evidence of challenges and opportunities from LGBTQ+ led businesses more generally.**

There are, broadly, two overlapping groups of actors explored in this paper: organisations working directly to support LGBTQ+ people as part of their core activities, and organisations led by LGBTQ+ people. We are predominantly interested in this work to look at support models – particularly those delivered by charities and social enterprises, but to do so, seek to understand the wider operating context for all LGBTQ+ related organisations.

A wide range of organisations provide diverse services to support LGBTQ+ people, from help addressing specific needs such as healthcare and housing, through to population-wide education and anti-discrimination work, to tailored media, products, social spaces and more.

Members of Micro Rainbow's community of LGBTQ+ people seeking safety taking part in a workshop. Credit: Sarah Emma Smith



We are predominantly interested in this work to look at support models – particularly those delivered by charities and social enterprises



# SIZE OF THE PROVISION GAP

**The largest network of LGBTQ+ support groups in the UK is Consortium, an organisation which supports LGBTQ+ organisations including charities and social enterprises through grants, guidance, research, and campaigning.**

In their 2019 sector report<sup>14</sup>, Consortium found that the LGBTQ+ voluntary and community sector accounts for just 0.4% of all UK charities and social enterprises, operating in various sectors, with the largest being social and interest groups (20%), health and wellbeing (20%), and campaigning and representation (13%). 70% of these organisations have an income of under £10,000 – a smaller size profile compared with UK charities overall. This is far smaller than the proportion of LGBTQ+ people in the population, and given the additional challenges faced by this community, an indication that existing provision by charities and social enterprises is likely not to be meeting demand.

Participants of the focus group agreed that there is a ‘provision gap’ in LGBTQ+ support services i.e. that there are unmet support needs within the LGBTQ+ community, largely the result of LGBTQ+ organisations facing a range of barriers to start-up and growth. A double lack of understanding impacts LGBTQ+ social enterprises, who encounter funders and investors who fail to understand both social enterprise models and the needs of the LGBTQ+ community. There is often an initial barrier to convince people that investing in something queer can be valuable, before navigating the specifics of service delivery – ‘you can’t just do the sale, you have to overcome an initial barrier first.’ Participants also noted intersectional barriers, such as being a woman or being a lesbian, when convincing people their social enterprise was a legitimate business, rather than just a ‘hobby.’



**LGBTQ+ voluntary and community sector accounts for just 0.4% of all UK charities and social enterprises...**



**...70% of these organisations have an income of under £10,000**

<sup>14</sup> <https://www.consortium.lgbt/wp-content/uploads/2019/07/LGBT-Fund-Report-11-GG.pdf>

# HOW ARE VCSEs FUNDED?

**Across VCSE organisations reported on by Consortium, only 14% of income is generated through trading, with 24% of income coming from donations and 51% stemming from grants and donations.** Consortium's dataset<sup>15</sup> covers charities and community groups as well as social enterprises, and demonstrates the reliance of the LGBTQ+ VCSE sector on grants and donations for sustainability.

2025 Social Enterprise UK data<sup>16</sup> provides a more positive picture, with 18% of respondents delivering services to benefit LGBTQ+ people. These social enterprises had a similar median turnover to other social enterprises of around £100,000 – much higher than organisations trading as charities, according to Consortium's data. However, they generate slightly less than average of their income from trading compared to other social enterprises, (as opposed to donations or other non-repayable income) – indicating potentially a bit more grant reliance than other social enterprises.

# WHAT FINANCE AND SUPPORT IS AVAILABLE?

There is limited bespoke advice or financial support for social enterprise and mainstream businesses providing LGBTQ+ services, with notable exceptions such as the business support service OutBritain. There is, however, some mainstream business support to LGBTQ+-owned business, for example via the Federation of Small Businesses (FSB)<sup>17</sup>, Stonewall's LGBTQ+ workplace inclusion support resource library<sup>18</sup> and awards that recognise good practice<sup>19</sup>.

<sup>15</sup> [Ibid](#)

<sup>16</sup> We reviewed State of Social Enterprise survey data from 2023 and 2025, looking at data on LGBTQ+ mission (2023 only), service provision and leadership (2025 only) where sample sizes permitted analysis.

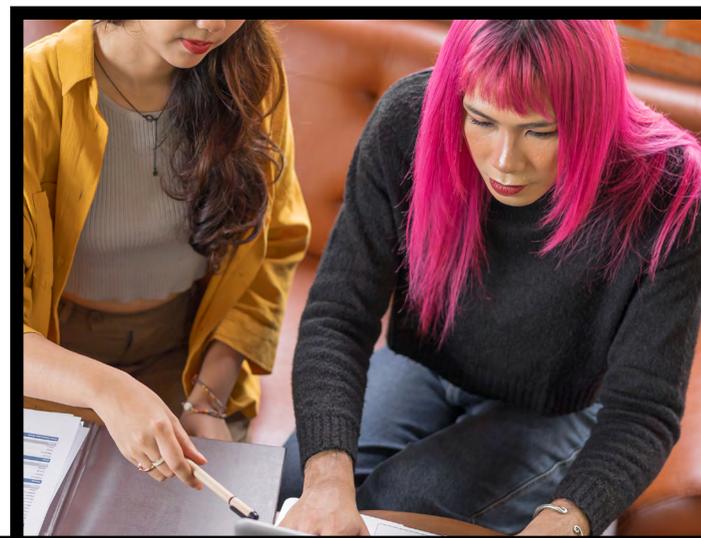
<sup>17</sup> <https://www.fsb.org.uk/resources/content-hubs/lets-grow-business-together>

<sup>18</sup> <https://www.stonewall.org.uk/inclusive-workplaces/resources-creating-lgbtq-inclusive-workplace/list-of-workplace-resources>

<sup>19</sup> <https://nottd.co.uk/news/british-lgbt-awards-2025-unveils-shortlist-of-business-leaders-and-corporate-champions/>

Across VCSE organisations...

...only **14%** of income is generated through trading



# WHAT FINANCE AND SUPPORT IS AVAILABLE? (CONTINUED)

**Funding for LGBTQ+ initiatives is limited. Consortium found that only 0.1% of total charitable income went to LGBTQ+ organisations in 2023, with the majority of this money flowing to larger, established organisations<sup>20</sup>. Smaller LGBTQ+ organisations struggle to access finance, with 68% of small organisations using their own personal money to fund their activities and support.**

It appears that the already small LGBTQ+ funding and finance landscape is not only failing to grow – it is decreasing in size. In the UK, Pride festivals, many of which trade as social enterprises in the shape of community interest companies (CICs), are struggling to secure corporate funding. In April 2025, UK Pride Organisers Network surveyed its 201 members about financial and operational pressures<sup>21</sup>. Out of the 112 organisations that responded, over 85 reported lost revenue from corporate sponsorships and partnerships. More than 40 organisations stated that the drop was between 26% and 50% compared to last year, while 21 organisations experienced a revenue fall of more than half in the same period. Additionally, over 60 organisations reported reductions in grants from corporations or charities. Some Pride festivals, such as Liverpool Pride, had to cancel 2025 operations entirely.

LGBTQ+ organisations are already fighting over small pots of designated funding – Consortium being by far the biggest source in the UK – and when LGBTQ+ organisations apply for more general funding, they have to prove the viability of LGBTQ+ initiatives before they are considered. Therefore, when LGBTQ+ specific funding diminishes, there are even fewer opportunities for LGBTQ+ organisations to access capital. The fickle nature of support and funding for LGBTQ+ initiatives puts them in a uniquely volatile position, whereby the sustainability of their businesses is somewhat reliant on public opinion.



only **0.1%** of total charitable income went to LGBTQ+ organisations in **2023**



<sup>20</sup> <https://www.consortium.lgbt/wp-content/uploads/2019/07/LGBT-Fund-Report-11-GG.pdf>

<sup>21</sup> [https://timesng.com/pride-london-faces-funding/#google\\_vignette](https://timesng.com/pride-london-faces-funding/#google_vignette)

# WHAT FINANCE AND SUPPORT IS AVAILABLE? (CONTINUED)

**There appears to not only be a gap in terms of bespoke non-financial and non-repayable support for LGBTQ+ social enterprises, but in regard to social investment. Whilst there is social investment support to inclusion and diversity in general, and particularly through race and gender lenses, there is limited specific attention to LGBTQ+ targeted investment.**

Consortium produced a briefing paper with Access – the Foundation for Social Investment – which sets out barriers faced by ‘the LGBT sector’ – and solutions. The paper sets out barriers to social investment generic across the VCSE community – but also makes specific reference to a disconnect in provision between social enterprise models and charity models in the LGBTQ+ space<sup>22</sup>. This may in turn contribute to the limited proportion of LGBTQ+ provision using social enterprise models.

Focus group attendees agreed there is limited funding for social enterprises delivering LGBTQ+ support services, with LGBT+ organisations competing for the same pot of money. ‘We’re all fighting over a small slice of pie, when what we need to be doing is making the pie bigger’. It was noted that outside of Consortium, there is little to no LGBTQ+ specific funding or support for social enterprises in the UK, and a heavy reliance on corporate sponsorship. Furthermore, LGBTQ+ social enterprises face a funding landscape which is dependent on trends – one attendee noted, ‘when it comes to funding, we have to navigate politics’. The anti-trans trend, for example, was cited as one reason for recent reductions in funding for LGBTQ+ initiatives.

‘We’re all fighting over a small slice of pie, when what we need to be doing is making the pie bigger’



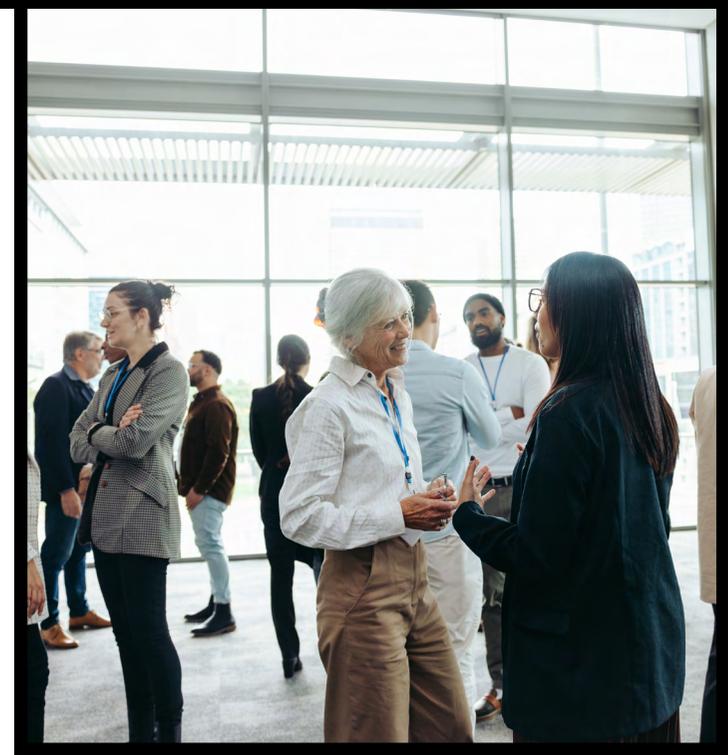
<sup>22</sup> <https://www.consortium.lgbt/wp-content/uploads/2021/01/SI-and-LGBT-Communities-1.pdf>



# WHAT FINANCE AND SUPPORT IS AVAILABLE? (CONTINUED)

Trading is potentially an untapped source of income for many LGBTQ+ organisations, as argued by Davis (2008) in his study of LGBTQ+ social entrepreneurship. Davis<sup>23</sup> explored social enterprise as an opportunity for LGBTQ+ organisations to improve their sustainability and reduce their dependence on grant funding and philanthropic donations, especially for organisations supporting the LGBTQ+ community. Davis cited limited giving to LGBTQ+ organisations, the concentration of philanthropic donations in the hands of a small group of large LGBTQ+ organisations, and the shifting of donor interests away from LGBTQ+ issues – still relevant today. He argued that for LGBTQ+ social enterprises to thrive, an increase in awareness, capacity-building tools, start-up and scale-up capital, and cooperation with the wider LGBTQ+ business community are necessary.

As donations, philanthropy, and grant funding are unreliable sources of income – especially in changing political contexts – financial autonomy could benefit LGBTQ+ organisations by creating less volatile income streams. Relevant support, awareness, and capacity-building tools need to be in place for this to be realised, and to maximise the income and impact of LGBTQ+ organisations.



As donations, philanthropy and grant funding are unreliable sources of income, financial autonomy could benefit LGBTQ+ organisations by creating less volatile income streams



<sup>23</sup> Davis, L. (2008) End of the rainbow: increasing the sustainability of LGBT organizations through social enterprise, published by NeSsT

# THE EFFECTIVENESS OF LGBTQ+ LEADERSHIP

Although there are many social enterprises with LGBTQ+ leaders which focus on a wide range of different issues, most organisations set up to specifically support the LGBTQ+ community have LGBTQ+ leaders at the helm. In this section, we'll consider how this lived experience influences commercial strategy and the particular challenges that LGBTQ+ leaders face. Research by Open Political Economy Network and OutBritain estimates that there are around 250,000 LGBTQ+ businesses in the UK with a combined turnover of at least £106 billion<sup>24</sup>. This is roughly 5% of total UK businesses. Nearly two-thirds of LGBTQ+ business founders and leaders are men, 89% are white and nearly a third are based in London.

In 2025 for the first time, SEUK captured data on social enterprise leadership to explore whether LGBTQ+-led social enterprises face distinct challenges compared to the wider sector. 10% of social enterprises are led by people who identify as LGBTQ+<sup>25</sup>, far higher than both LGBTQ+-led businesses as a whole, and the proportion of LGBTQ+ people in the general population (3.2%)<sup>26</sup>. On average, 12% of the social enterprise workforce is LGBTQ+ although over one in ten social enterprises don't know the LGBT+ status of staff to be able to report on it.

Overall, LGBTQ+ led social enterprises performed similarly to the wider social enterprise sample. The main distinctions are different legal forms (no LGBTQ+ led social enterprises in the sample were co-operatives), lower average turnover, and less profit in the previous year, with turnover less likely to have increased the year before. Staff numbers and wage bills are broadly similar to the national averages, however.

<sup>24</sup> [https://www.opennetwork.net/wp-content/uploads/2024/10/OPEN\\_LGBTQ-Businesses-Count-final\\_hi-res.pdf](https://www.opennetwork.net/wp-content/uploads/2024/10/OPEN_LGBTQ-Businesses-Count-final_hi-res.pdf)

<sup>25</sup> An additional 13% led by people who either didn't disclose their sexuality or where this information wasn't known by the survey respondent.

<sup>26</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/sexuality/bulletins/sexualorientationenglandandwales/census2021>

10% of social enterprises are led by LGBTQ+ people, far higher than LGBTQ+ led businesses as a whole, and the proportion of LGBTQ+ people in the population (3.2%)



# THE EFFECTIVENESS OF LGBTQ+ LEADERSHIP (CONTINUED)

**LGBTQ+ social enterprises were more likely to be concerned by customer demand and market issues, such as difficulties accessing customers. They were slightly more likely to have applied for external finance, but significantly less likely to have secured it (43% compared to 60% national average). They were also less likely to say that there is suitable and adequate external finance available to them.**

This again indicates a support gap for LGBTQ+-led social enterprises, which – if addressed – is likely to have a direct positive impact on LGBTQ+ support provision, given that many support organisations are led by LGBTQ+ people.

In the context of service provision, a sentiment echoed throughout the focus group discussion was the importance of lived experience in LGBTQ+ social entrepreneurship and support services in general. Participants agreed that ‘lived experience is no silver bullet, but if there is one, it’s the closest thing to it’. In a sentiment which echoed Stonewall’s (2018) report on being LGBTQ+ in the workplace, it was argued that working for an LGBTQ+ social enterprise was a safe space for members of the LGBTQ+ community, and that LGBTQ+ social entrepreneurs are best suited to serve the needs of their community: ‘nothing about us without us.’



‘lived experience is no silver bullet, but if there is one, it’s the closest thing to it’



# THE EFFECTIVENESS OF LGBTQ+ LEADERSHIP (CONTINUED)

**There is growing interest in the literature around LGBTQ+ entrepreneurship and the economic barriers faced by entrepreneurs of marginalised genders and sexualities.**

There are significant challenges in mainstream business. Research from America's National LGBT Chamber of Commerce (2022) found that LGBTQ+ entrepreneurs are driving economic growth and social progress in the U.S. but face economic and legal barriers which inhibit their success, with LGBTQ+ founders disproportionately facing challenges such as limited funding and inconsistent legal protections. 2023 research found that 75% of LGBTQ+ entrepreneurs have hidden their sexual orientation from potential investors<sup>27</sup> - which makes sense, given that less than 1% of venture capital goes to LGBTQ+ founders<sup>28</sup>.

However, Fatmy et al<sup>29</sup> (2023) argue that large corporations are facing increasing pressure to take on a stance on social and political topics such as LGBTQ+ rights. While their study indicates that the linkage between LGBTQ+-friendly and firm performance is likely dependent on stakeholders' preferences and socio-political values, they provide evidence that overall, LGBTQ+-friendly policies improve firm performance.

2023 research found that **75%** of LGBTQ+ entrepreneurs have hidden their sexual orientation from potential investors<sup>27</sup>



<sup>27</sup> <https://www.thepinknews.com/2023/02/17/lgbtq-entrepreneurs-are-going-back-into-the-closet-in-front-of-investors/>  
<sup>28</sup> <https://www.lgbtqnation.com/2025/07/lgbtq-entrepreneurs-are-still-being-left-behind-it-doesnt-have-to-be-this-way/>  
<sup>29</sup> Fatmy, Veda & Kihn, John & Sihvonen, Jukka & Vähämaa, Sami. (2021). Does lesbian and gay friendliness pay off? A new look at LGBT policies and firm performance. *Accounting & Finance*. 62. 10.1111/acfi.12787.



# ADDRESSING CHANGE

Our focus group highlighted that groups opposing LGBTQ+ rights have considerable resources which impacts the LGBTQ+ community in various ways. They suggested that there is increased need for the replication and scaling of LGBTQ+ services, for which sustainable income is required – but moreover that social enterprise – in providing a potential solution to developing the sustainability, viability, and financial resilience of the LGBTQ+ movement – in turn allows for greater long-term planning and continuity in response to hate. As such, the importance of a sustainable model goes beyond sustaining it – but allowing it to thrive and build change systematically.

# SOCIAL ENTERPRISE AS A SOLUTION

**This paper set out to explore if converting more charities to social enterprises could address gaps in provision for the UK LGBTQ+ community.**

Findings from SEUK data above indicate that whilst social enterprises in the LGBTQ+ space may fare better in terms of turnover size and revenue generation diversification than charity counterparts, they don't necessarily perform as well as other social enterprises. This means that whilst there is potential for more LGBTQ+ charities to benefit from developing more reliance on traded income and adopting social enterprise models, there is simultaneously a need for more support to level the playing field for LGBTQ+ social enterprises.

Focus group participants highlighted another reason why some LGBTQ+ organisations are drawn to the CIC model: it helps them remain politically independent. Because LGBTQ+ people are often perceived as inherently political simply by existing, organisations can use the CIC model to demonstrate they are nonpartisan while still advocating on behalf of their communities. However, this doesn't suit every organisation. In the wake of recent Supreme Court decisions affecting transgender rights, some LGBTQ+ organisations may feel that taking a more explicitly political stance is necessary, making the CIC model a less appropriate choice for them.



The importance of a sustainable model goes beyond sustaining it – but allowing it to thrive and build change systematically.



**S** Social Enterprise UK

# SOCIAL ENTERPRISE AS A SOLUTION (CONTINUED)

**Redien-Collot (2024)<sup>30</sup> argues that queer entrepreneurship initially provided a refuge from workplace discrimination and strengthened community political power, especially during crises like the AIDS epidemic.**

He introduces the concept of entrepreneurial queering: defensive queering meaning preserving alternative, community-rooted spaces, and proactive queering meaning to reimagine business models with broader societal aims. LGBTQ+ social enterprises could be seen as a means of ‘entrepreneurial queering’ – challenging the normative notion that businesses should be run exclusively for profit, instead acting as agents of social change. Indeed, Social Enterprise UK research (2024) demonstrates that social enterprises are potentially better suited than traditional businesses to challenge these heteronormative and gendered ideals, with over half of social enterprises being led by women, and women-led social enterprises generating higher average turnover and profit<sup>31</sup>.

There is – as ever – no silver bullet, in the sense that all LGBTQ+ charities converting to social enterprise models overnight won’t instantly transform the provision landscape. However, there is an urgent need to recognise the recommendations of Davis’s nearly 20-year-old research<sup>32</sup> on LGBTQ+ social enterprises and improve support and awareness to them, which can in turn drive transition rates for LGBTQ+ provision towards more sustainable models.

Social enterprises are  
potentially  
better suited  
than traditional  
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to challenge  
heteronormative and  
gendered ideals



<sup>30</sup> <https://www.taylorfrancis.com/chapters/edit/10.4324/9781003128151-37/lgbtq-entrepreneurship-renaud-redien-collot>

<sup>31</sup> <https://www.socialenterprise.org.uk/app/uploads/2025/01/Diversity-at-work-report-January-2025.pdf>

<sup>32</sup> Davis, L. (2008) End of the rainbow: increasing the sustainability of LGBT organizations through social enterprise, published by NeSsT

# RECOMMENDATIONS

**Based on limited evidence on LGBTQ+ businesses, service provision and social enterprise models addressing gaps in provision, this paper found some indication that increasing the proportion of LGBTQ+ community support delivered through social enterprises may help improve the financial sustainability of existing services.** It may also bring wider benefits, including more joined-up support, longer-term planning, and ultimately more systemic change - provided these social enterprises receive greater attention and targeted support.

LGBTQ+ social enterprises have an important role to play in sustainable service provision. Even though they tend to be larger and more financially sustainable than many LGBTQ+ charities, they still face significant challenges, including limited access to finance, a lack of bespoke support, insufficient understanding of their specific needs, and weak evidence on how they can scale.

Focus group participants unanimously agreed that collaboration between queer leaders across charities, social enterprises and other businesses is essential to building resilience within the wider LGBTQ+ rights movement. They also emphasised the need for more LGBTQ+ specific social enterprise advice and support, backed up with data. As a result, Micro Rainbow, supported by Social Enterprise UK will host a regular peer support group for LGBTQ+ leaders of social enterprises that support LGBTQ+ people to foster connection, resilience and peer support.

More research into LGBTQ+ social enterprises can inform inclusive programmes, funding and investment opportunities to support these organisations. Research must incorporate the distinct experiences of intersections of the LGBTQ+ community, including women, trans people, and people from minority ethnic groups. The relationship between attacks on LGBTQ+ rights and the financial position of LGBTQ+ charities and social enterprises should also be studied, to understand the causal link between hate abroad and provision gaps at home.



## COLLABORATION

between queer  
leaders across  
charities, social  
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other businesses



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resilience within the wider  
LGBTQ+ rights movement.



# LGBTQ+ SOCIAL ENTERPRISES IN ACTION

This annex sets out examples of LGBTQ+ social enterprises, their business models, and the support they deliver. It demonstrates the breadth of the sector in terms of size, location, sector, and support offered, with a focus on the varied tailored support social enterprises offer the LGBTQ+ community.

## The Diversity Trust CIC

The Diversity Trust CIC, established in 2012, is dedicated to ‘influencing social change to create a fairer and safer society’. Their extensive training, consultancy, and research work spans various sectors, including corporate, public, private, voluntary, community, and social enterprises, both within the UK and internationally. The Diversity Trust’s mission is clear: equality, diversity, equity, and inclusion.

In 2023-2024, Diversity Trust offered a range of services to support these goals including EDI, unconscious bias, trans awareness and intersectional inclusion training sessions. They also provide consulting services on policy reviews to help organisations align their internal protocols with best practice on equality and inclusion. Their community engagement work includes Alphabets, an LGBTQ+ youth project in Gloucestershire, which helps young people talk more about their lived experiences and accept who they are. Diversity Trust has grown their impact in this area in the past year, recruiting new volunteers, and delivering mentoring and workshops on LGBTQ+ inclusion in 12 local schools.



Diversity Trust team member Tim, Voice & Representation Coordinator presenting at conferences.



# LGBTQ+ SOCIAL ENTERPRISES IN ACTION

## Micro Rainbow CIC

Over 2,000 individuals seek asylum in the United Kingdom annually based on their sexual orientation or gender identity. However, once they get to the UK, they still face harassment and discrimination in their accommodation and are forced to hide their LGBTQ+ status to stay safe. In 2017, Micro Rainbow created the first housing scheme for LGBTQ+ people seeking asylum to provide safe and secure accommodation during the asylum process.

As well as housing, Micro Rainbow offers essential support to LGBTQ+ people fleeing persecution, including through employability training and support, and helping individuals integrate into life in the UK through the social inclusion programme. Micro Rainbow generates revenue through public sector funding and grants from charitable organisations and trusts, and strives to achieve 100% sustainability. Micro Rainbow now operates 30 safe houses, offering over 40,000 safe bed-nights annually, providing shelter to the most vulnerable individuals within the asylum system.



A Micro Rainbow safe house (the top image)/ A Micro Rainbow social inclusion workshop (bottom image). Credit: Sarah Emma Smith for both.



# LGBTQ+ SOCIAL ENTERPRISES IN ACTION

Luciana Cousin of Across Rainbows giving a presentation on LGBTQ+ Safety at The Safer To Be Me Summit 2025 in Newcastle [www.reportout.org/safertobemeconference2025](http://www.reportout.org/safertobemeconference2025)

## Across Rainbows CIC

Across Rainbows is a UK-based LGBTQ+ social enterprise committed to redefining what inclusion, safety, and belonging look like in everyday life. Its flagship initiative, Bobu, is dedicated to building safer, kinder, and more inclusive spaces through partnerships with local businesses and communities. Their mission is to empower businesses to visibly commit to these values by partnering with local organisations. Bobu aims to certify venues that train staff to support anyone experiencing harassment, distress, or marginalisation. They emphasise community-based results and use e-training, stickers, and apps to support their aim.



# LGBTQ+ SOCIAL ENTERPRISES IN ACTION

## QueerAF CIC

QueerAF is the only UK non-profit and regulated LGBTQ+ news publisher. QueerAF aims to fix the media in a world where doomscrolling is the norm and content prioritises adverts over the audience. They model a more considered approach to media, where journalists, creators, and producers are paid by the audience, not advertisers, to deliver the best version of stories that help people understand queer headlines.

In 2024, QueerAF has worked with 67 LGBTQ+ creatives, providing skill sessions, mentoring, and equipment to help them receive paid commissions. They have published 30 Trans+ creatives and organised multiple in-person, hybrid, and online events to educate, inform, and entertain the LGBTQIA+ community with lessons from Trans+ history. Additionally, QueerAF has reached 1 in 6 people in the UK through a pro-bono agency-led outdoor billboard campaign with Trans+ History Week supporting the Trans+ community and challenging misinformation that Trans+ people are a 'trend'. Their free weekly newsletter, which publishes a new queer creative each week and helps people understand the news, rose to a readership of 9000+ people in 2025, with 600+ of them being recurring paying members. QueerAF's podcast, where the brand began, recently relaunched extending its mentoring support from written journalism back to the audio industry as well as producing a podcast with the Love Tank to help more people understand the history of PrEP and HIV prevention.

# QUEERAF



QueerAF podcast recording, 'How do we tell Trans+ history, so we can all learn from it?' Recorded at Clifford Chance, Canary Wharf May 6th, 2025, London. Credit: @documentedbyhenrit



 Social Enterprise UK

# LGBTQ+ SOCIAL ENTERPRISES IN ACTION



## G(end)er Swap CIC

G(end)er Swap is the UK's first LGBTQ+ style outreach organisation that supports trans and gender-diverse people to access clothes and community via pop-up events, workshops, and digital resources. Focused on sustainability, G(end)er Swap encourages thrifting, swapping, and DIY to support people in finding a gender affirming sense of expression. G(end)er Swap is intersectional in their approach, which includes uplifting trans youth, people experiencing homelessness, neurodivergent and disabled people, and those from the global majority. Since its inception, G(end)er Swap has provided over 500 trans individuals and over ten LGBTQ+ organisations (internationally) with free chest binders, supports 10,000 people online with digital support initiatives, and offers makeup lessons to trans people in prison. Delivering over 300 workshops and a thriving online platform, G(end)er Swap continues to minimise barriers to exploring self-expression for the trans community.

G(end)er Swap has been the recipient of several LGBT+ Consortium grants over the past five years supporting the delivery of online well-being programmes, a curated zine by Trans+ creatives in Wales, a DIY workshop series in London and this year's FEEL GOOD makeup programme, the first of its kind supporting Trans+ people facing homelessness. The organisation has been supported with fundraising opportunities and sponsorships by brands such as LUSH Cosmetics and MAC Cosmetics, and have created a far reaching network of intercommunity skill sharing opportunities and collaborative events featuring prolific LGBTQ+ creatives across the UK.



# ABOUT SOCIAL ENTERPRISE UK

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**Social Enterprise UK is the UK national voice for social enterprises.**

We lead the world's largest network of businesses with a social or environmental purpose, working together to create a fairer economy and a more sustainable future for everyone. We exist to be a strong voice for social enterprise, demonstrating the difference that mission-led businesses are making in the world and influencing decision-makers to create an environment where this way of doing business can thrive.

We campaign on behalf of the social enterprise community, having led public policy for decades and helped to pass the Social Value Act (2012), using the mounting evidence from our comprehensive research to make the case for change. We drive cross-sector collaboration, working with private companies and public institutions to bring social enterprises into their supply chains, helping any organisation to create positive social and environmental impact.

Find out more and join the community at **[socialenterprise.org.uk](https://socialenterprise.org.uk)**

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