



## Will Alabama's abortion ban derail state's historic business boom?

May 17, 2019



*Toyota gave \$750,000 Friday to Huntsville organizations at the groundbreaking for its new joint plant with Mazda. Mazda gave another \$70,000. Beneficiaries included job training programs, public schools and local charities.*

By Lee Roop | [lroop@al.com](mailto:lroop@al.com)

Alabama's new abortion ban "is a giant misstep" by a state doing everything right in economic development, a national business adviser said Thursday, and it could be a mistake on the scale of the North Carolina "bathroom law" that drove billions of dollars of business away from that state.

"Alabama is on a roll," national corporate adviser John Boyd said. "You look at the Airbus move. You look at the Toyota-Mazda facility. Those were two of the biggest trophy projects with respect to advance manufacturing."

Founded by Boyd's father in 1975, The Boyd Company in New Jersey helps companies find the right sites to expand or open businesses. Boyd's North Carolina reference was to a state law there requiring transgender people use restrooms corresponding to the sex on their birth certificates. An Associated Press study estimated the law cost North Carolina more than \$3 billion in economic development.

"People ask all the time, 'What's changed in site selection over the years?'," Boyd said. "The biggest change is the role politics plays in corporate site-selection decisions today. And by politics, I'm not talking about taxes and regulations and infrastructure, but also anti-business social legislation like this abortion bill. You have the 24-hour news cycle focused on this – the strictest abortion law – and corporations are very sensitive to this."

Inside Alabama, leaders believe the economic impact could be nuanced. States competing for new industries will definitely use the ban against Alabama in negotiating with companies, they agree, but its impact will depend on the specific situation.

"When a company comes in and plans on taking your existing workforce and using it, it's less of an issue," Tuscaloosa Mayor Walt Maddox said Wednesday.

Maddox referred to developments like a new automobile parts plant that will use state-trained local workers to produce a product according to company specifications. Companies like that can find the people they need in Alabama and won't need to bring them in.

"The issue is going to come into play in knowledge and technology-based sectors where you're hoping to relocate employees who are living in other states and other parts of the world into Alabama," Maddox said. "When they're searching and researching about this state, this issue will certainly be part of that calculus."

"The issue in isolation is not as impactful," Maddox said, "but it continues to add to a narrative that, among other states in our union, Alabama is a step behind. And that perception's real. And it's something in economic development I know we have to continue to work through."

It's also what worries small business entrepreneurs like Reed Watson, a musician and partner in a new and growing recording studio in Florence/Muscle Shoals. Watson respects both sides of the abortion argument, but he thinks the law plays into an Alabama stereotype.

"It's already hard to get people to move to this state," Watson said Thursday. "We can go over the reasons why. There are a million of them. I defend this state every day. But I was struck the other day by how many international friends of mine called, texted and emailed about what happened. We have a reputation, and I wish we would do something to step away from that reputation."

Watson said the state's musical contributions to America are "unbelievable, miraculous event. It's something I care about in terms of trying to continue that story." The new law "hurts," he said.

Huntsville City Council President Devyn Keith agrees. He attended graduate school in Boston and has friends around the country. "A lot of my friends wouldn't move here if they had a job that paid \$100,000," Keith said Wednesday. "They believe Alabama contains a social stigma they cannot live with day to day."

Laws like the abortion ban and H.B. 56, a tough 2011 state law aimed at undocumented Hispanic workers, become parts of Alabama's "storyline," Keith said. And they are being pushed by "rural community representatives running our state from an evangelical point of view."

Site selection adviser Boyd said he's "not predicting a doomsday scenario for Alabama, but clearly this law does no favors for the state's economic development community. With respect to the white collar jobs that cities like Birmingham are actively recruiting, like regional headquarters or banking and financial services, this law will put a cloud over the state's industry attraction efforts."

Asked what he would advise a company seeking an expansion site today, Boyd said companies "are very sophisticated and they understand there is no perfect location and there are trade-offs with every location. This is clearly a trade-off companies will have to factor with all the attributes Alabama brings to the table: low operating costs, right-to-work status, unique access to global markets via the port."

Other Alabama leaders are taking a wait-and-see approach. Huntsville Mayor Tommy Battle led an economic boom in his city capped by the recruitment of Toyota-Mazda, but he failed to translate that economic success into a winning run for governor against Gov. Kay Ivey, an incumbent skilled at more traditional Alabama narratives. Battle said Wednesday we don't know yet how the abortion ban will play out.

The issue is heading toward the federal courts, Battle said, and "it's too early to tell if there will be any impact on business."