

Deutsche Bank freezes hiring plans in Cary over HB2

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Deutsche Bank is freezing plans to expand in Cary, citing North Carolina's contentious House Bill 2 in its decision.

“We take our commitment to building inclusive work environments seriously,” says John Cryan, co-CEO of the bank, in a prepared statement Tuesday. “We’re proud of our operations and employees in Cary and regret that as a result of this legislation we are unwilling to include North Carolina in our US expansion plans for now. We very much hope that we can re-visit our plans to grow this location in the near future.”



Simon Dawson/Bloomberg

The company had pledged in September to expand its DB Global Technology unit in Cary, a plan that meant a \$9 million investment before the end of 2016 and 250 job additions (with an average salary of \$85,600).

To support the project, the state had approved a JDIG incentive package worth \$3.38 million over 12 years.

It was the company's third major job announcement since its first state incentives grant was approved in 2009. Back then, the company committed to opening the new office with the hiring goal of up to 319 employees. A second grant was awarded in 2013 with the promise to create another 431 local jobs. As of Tuesday's announcement, the bank said it employs 900 people at its software application development center in Cary "and is committed to sustaining that existing presence." The bank clarified that the 250 jobs was to be in addition to the 900 currently in Cary.

Deutsche Bank is the latest company to act out against the bill, which legislators said was intended to strike down a Charlotte ordinance that allowed transgendered people to use the restroom they identified with. The measure, passed by state legislators in March, went further than just the Charlotte bathroom ordinance, however, overturning all local discrimination ordinances, as well as local employment regulations regarding minimum wage. Under the new bill, state ordinances supersede local regulations in those areas.

PayPal, which had been planning to bring 400 jobs to Charlotte, canceled its plans citing the bill, and other companies with North Carolina expansion plans, including Red Ventures and Braeburn Pharmaceuticals, have publicly said they're considering changes.

John Boyd, founder of New Jersey location consulting firm The Boyd Company, says he's not surprised, calling the legislation "antibusiness." It's Boyd's job to help companies looking to relocate or expand with site selection, and he says North Carolina has consistently been a popular state on short lists.

"But these companies look for reasons to scratch states off their short lists," he cautions. The bill, he says, provides a reason. He's predicting that legislators will roll back the legislation when they reconvene later this month, a move he says will "stop the bleeding."

"We saw that happen in Indiana after their religious freedom bill where the backlash was similar," he says. "Politicians can quickly demonstrate some nimbleness here."