



Coalition of tech CEOs opposes Texas' new laws on abortion, guns, other issues

Group wants to spread awareness ahead of 2022 elections



Image: Arnold Wells / ABJ

A group of technology executives wants to boost voter registration and reach CEOs in other Texas cities.
Arnold Wells / ABJ



By Kathryn Hardison – Staff Writer, Austin Business Journal - Oct 1, 2021

Nearly 30 Austin technology executives have banded together to oppose some of the more controversial social policies that have come out of the Texas Capitol in recent months.

New laws around voting, abortion access, open carry of firearms and transgender children in schools have created national headlines and drawn the ire of large companies such as Apple Inc.

and Salesforce Inc. Many of the measures went into effect in September, to the approval of many in the Republicans' conservative base.

But business leaders are concerned the new laws may negatively impact the steady migration of companies and people to Texas, a trend that has helped prop up the economy during the pandemic. Oracle Corp. (NYSE: ORCL) moved its global headquarters to Austin last year; Apple Inc. is investing in a second massive campus in North Austin; Tesla Inc. is building a massive factory in eastern Travis County, not to mention the other Elon Musk startups landing in the region.

The group of Austin tech CEOs and leaders pointed out as much in a Medium blog post. The effort is being spearheaded by Data.world CEO Brett Hurt and Capital Factory CEO Joshua Baer.

The two joined forces to create a coalition with the Austin Tech Alliance, which has raised \$300,000 in recent weeks to support voter registration efforts. The ultimate goal is to spread awareness among business leaders and "get the vote out," Hurt said, by educating people "in a bipartisan way" on candidates and their policy stances for 2022 gubernatorial, congressional and local elections.

"We started to get really nervous. What does this mean for human rights? What does this mean for business? What does this mean for society? Texas is being innovative in all of the wrong ways," Hurt said. "While it's been a beneficiary of the pandemic — from a commerce perspective, from how many people have moved here, including all those headquarters — we started to say that we need to really push back on this and start to mobilize and see if other prominent tech CEOs in Austin will get on board.

"And, frankly, they were jumping to be on board."

Leaders from companies such as Silicon Laboratories Inc. (Nasdaq: SLAB), AlertMedia Inc., OJO Labs Inc., Icon Technology Inc., WP Engine Inc., Aceable Inc., Strangeworks Inc., South by Southwest LLC, The Zebra and ZenBusiness Inc. have signed the post.

"We need to raise our voices to make sure that the Texas Legislature understands that both the entrepreneurs of this state, and the Fortune 500 companies they court so heavily, all stand in opposition of this legislation," William Hurley, CEO of Strangeworks, said in a statement.

What the group has achieved so far is what they consider phase one, Hurt said. Phase two is to get other leaders in Austin to join the coalition, and then to recruit leaders in the other major Texas metros and, eventually, nationwide.



Brett Hurt Arnold Wells / Staff

"We've had many good policies in place that have attracted these companies to be here, and what's happening now will have a chilling effect," Baer said. "ATA is focused on educating and activating the tech community into politics. Getting more people being involved, more people educated is going to produce better results."

Some major tech companies have also publicly opposed Texas' new abortion law. San Francisco-based software maker Salesforce Inc. (NYSE: CRM) has offered to help pay for employees concerned by the new law to leave Texas, CNBC reported. The company has more than 56,000 employees worldwide, and CNBC reported that roughly 2,000 work in Dallas, based on LinkedIn data.

Media outlets have also reported that Apple Inc. (Nasdaq: AAPL) has pledged to pay out-of-state medical expenses for employees needing to travel because of the strict abortion rules. Ridesharing companies Lyft Inc. (Nasdaq: LYFT) and Uber Technologies Inc. (NYSE: UBER) both set up legal defense funds for drivers and donated to Planned Parenthood, Bloomberg reported. Austin-based Bumble Inc. Inc. (Nasdaq: BMBL) announced plans to designate relief funds for impacted women.

There are several major economic development projects underway in the Austin metro, including advanced construction on the Tesla (Nasdaq: TSLA) factory, where hiring has recently ramped up. Taylor, northeast of Austin, appears to be the frontrunner in Samsung Electronic Co.'s \$17 billion chip factory search.

Gov. Greg Abbott called out Tesla CEO Musk last month as a supporter of Texas' social policies compared with those in California, though Musk didn't address those claims head-on. Officials in Abbott's office could not be immediately reached for comment.

John Boyd Jr., principal at Boca Raton, Florida-based site selection firm The Boyd Company Inc., said social laws are becoming more important in site selection decisions.

"While corporate site selection decisions are made for a much longer horizon than the current session of a state legislature, a court ruling that may be reversed, the tenure of a sitting governor, etc. — social legislation has emerged as a critical state business climate factor," Boyd said in a statement. "The bottom line is that companies need to attract and recruit the best talent from the globe. Companies want to be in states that do not present obstacles to attracting and retaining the best talent with divisive social legislation."



John Boyd

Boyd said companies are also dealing with a consumer base that's increasingly aware of social impact measures, and the investment community on Wall Street is often considering how companies address diversity, equity and sustainability when making financial decisions.

Boyd said policies like the new abortion restrictions and voting measures are "literally playing with fire."

"Economic development in 2021 is ultra-competitive," Boyd said. "Make no mistake. Texas is on a historic economic development winning streak — virtually all parts of the state are firing on all cylinders. The biggest threats the state will face moving forward will be keeping its infrastructure and social services at pace with its rapid growth, affordability

and potential fallout from anti-business social legislation."

Joe Vranich of McKinney-based consulting firm Spectrum Location Solutions specializes in helping companies leave California. He has not seen any "lessening of interest whatsoever from California companies interested in moving to Texas because of recent Texas laws."

"I can attest to the fact that there is an acceleration in California companies seeking to escape the state for Texas and other states," Vranich said in a statement.

Vranich said economic issues continue to make people and companies leave California. He pointed to a new wealth tax, which will require family members to pay taxes when transferring company ownership to their descendants — or risk losing the company — as something that will make the California business environment "more atrocious."

He added that, in California, company executives openly critical of state policy often end up with surprise tax audits and state inspections.

Hurt said the coalition wants Texas to remain a frontrunner in business attraction while also leading the way in how people are treated. The idea is for the coalition to eventually have a nationwide reach with companies of all kinds on board.

"Leadership isn't convenient. You have to step up, especially when you see just a cascading series of laws that are just absolutely the opposite of common sense and really feel like a fundamental attack on democracy and people and businesses and schools," Hurt said.

This isn't the first time businesses have taken a collective stand against social issues at the Texas Capitol. The "bathroom bill" of 2017, an attempt to require Texans to use the bathroom corresponding to their biological sex, failed in part because of opposition from local and national businesses.