



Remote work and the politicization of tech locations

Tech's response to abortion restrictions has been to offer health travel benefits. But there's debate about just how it will affect remote work and business location decisions.

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Tech companies are increasingly offering remote work options, giving employees the freedom to live where they want. But there is a debate about whether rolling back abortion rights -- something the U.S. Supreme Court is considering -- will affect business and individual decisions about where to locate.

California is betting that some businesses will exit abortion-restricting states if the Supreme Court votes to overturn *Roe v. Wade*, its 1973 decision legalizing abortion nationwide. The state is considering relocation incentives for businesses in states "with anti-abortion and anti-LGBTQ+ laws," California Gov. Gavin Newsom said this month.

After Texas adopted new abortion restrictions last year, Marc Benioff, CEO of San Francisco-based Salesforce, said the company would help employees relocate out of Texas. "Ohana [Hawaiian for *family*] if you want to move we'll help you exit TX. Your choice," he tweeted.

In the 50 years since the court decided *Roe v. Wade*, individual workers, especially in the tech industry, have become highly mobile because of remote work, enabling them to move out of state and keep their jobs. If *Roe v. Wade* is overturned, how states respond might influence personal decisions and business location decisions -- but to what extent is up for discussion among economists and other experts.

Abortion restrictions might make a state like Nevada more appealing to tech firms, said John Boyd, principal of The Boyd Co., a corporate site selection consulting firm in Boca Raton, Fla.

Nevada doesn't have personal or corporate income taxes, and abortion is protected by law in that state, Boyd said. In 1990, Nevada voters approved a ballot question permitting abortion. Boyd expects that companies will consider abortion laws in site selection, although the amount of weight companies place on the issue will vary.

Where talent goes, so does business. Eugene Cornelius Jr., Senior director, Milken Institute Center for Regional Economics

"The tech industry tends to place an enormous premium on these HR and workforce issues," Boyd said. But so far, "the impact has been limited to companies promising to pay for out-of-state travel for abortions."

Eugene Cornelius Jr., senior director of the Milken Institute Center for Regional Economics, believes that states that put in abortion bans and set other limits on reproductive rights could risk losing some of their educated workforce.

"Where talent goes, so does business," Cornelius said. The Milken Institute, based in Santa Monica, Calif., is a nonpartisan think tank.

Profit, not abortion laws, will guide decisions

But Fred Carstensen, a professor of finance and economics at the University of Connecticut, doesn't believe that the abortion issue will have a significant role in business location decisions.

"Most businesses are driven by profit, and there is more profit in locating in states with weak or nonexistent safety nets, low taxes, weak regulation," said Carstensen, who is also director of the Connecticut Center for Economic Analysis at the university. Some organizations might believe that it's worthwhile to locate in California or Connecticut, but "more likely will choose the low-cost location" and offer a benefit that includes transportation to a state where abortion is legal, he said.

The chief response by tech companies to abortion law that Texas adopted last year -- and the recent leak of the Supreme Court draft decision overturning *Roe v. Wade* -- has been to offer travel benefits for women if healthcare services become unavailable in their home state. Yelp, Citigroup, Tesla and Microsoft have publicly announced or confirmed their decision to offer this employee benefit.

Microsoft, for instance, said in a statement that it "will continue to do everything we can under the law to protect our employees' rights," including "accessing critical healthcare -- which already includes services like abortion and gender-affirming care -- regardless of where they live across the U.S."

David Lewis, president and CEO of OperationsInc, an HR consulting firm in Norwalk, Conn., sees the corporate health benefit announcements as premature and posturing, especially since the court hasn't ruled on the issue.

Lewis also pointed out that workers most affected by an abortion ban likely aren't the well-paid tech workers with the financial means to fly to another state. He said that lower-wage workers in blue-collar jobs with limited financial means would be most affected.

Lewis said there is also a risk that some employees will feel alienated by corporate positions. "Why have we made the assumption that all our employees are pro-choice?" This could be an issue "where companies are going to regret identifying what side they are on," he said.

Technology and science occupations are overwhelmingly dominated by men, who make up 73% of all STEM (science, technology, engineering and math) workers, according to a 2021 U.S. Census Bureau report. The tech industry has made improving gender diversity a priority, but women still only represent about 30% of technical employees and less than half of employees at large tech companies.

Roberta Guise, founder and president of FemResources Inc., believes that tech companies that "embrace strong social values" might be more willing to locate in an abortion-friendly state or move back, and that they might act quickly if *Roe v. Wade* is reversed. The San Francisco-based nonprofit works on improving gender equality in the tech workforce.

The rising generation of workers "is likely to flock to employers who care about their right to an abortion and will shun companies that demonstrate they don't care," Guise said. "Companies that show they care more about their bottom line than a woman's right to an abortion will find it increasingly harder to attract good talent."

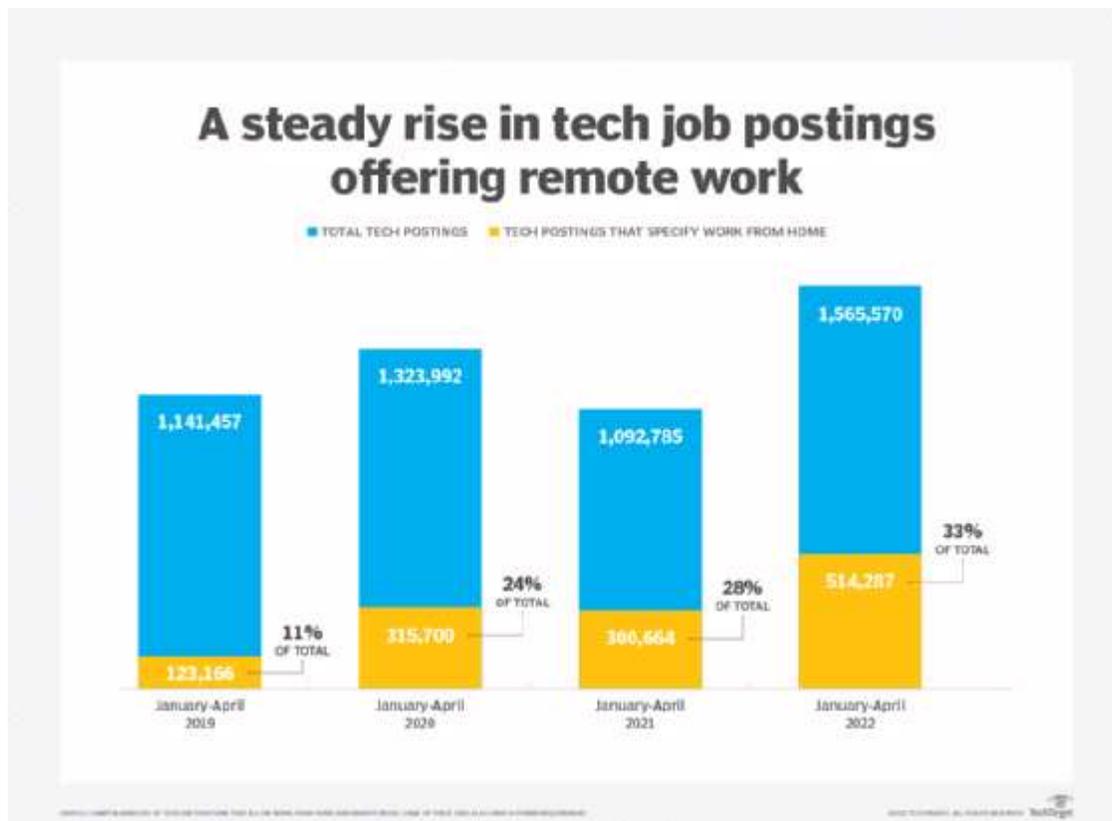
Guise cited a recent Pew Research Center survey that looked at public opinion on abortion. Of the 18- to 29-year-olds surveyed, 74% said abortion should be legal in all or most cases.

If women are met "with less than complete support, they'll take their talent to a firm that has demonstrated absolute support for abortion access and deny their business to states that have made abortion illegal," Guise said.

Remote work has transformed the labor force

What is clear is that remote work options have been steadily increasing for tech workers, affecting population growth in some states.

Approximately 33% of all tech job ads this year offered remote work options, some of which included hybrid requirements, according to hiring data analyzed by CompTIA, a trade group and certification firm for IT professionals. In 2019, only 11% of tech jobs had a work-from-home option.



Data is from a CompTIA analysis of tech job positions that allow work from home and remote work. Some of these jobs also have a hybrid requirement.

Tennessee and Idaho saw the largest percent change increase in tech jobs, from 2019 to December 2021, according to a study this month by the Technology Councils of North America (TECNA). The group wasn't sure why those two states were leading and believes it could be due to quality-of-life issues. What is more clear is that before COVID-19, tech workers moved to tech hubs, but since the pandemic began, the "technology workforce relocation dynamic has changed," the group reported in May.

TECNA, which represents some 22,000 tech companies, uses the findings to explain to lawmakers that tech workers live all over the country, said Jennifer Grundy Young, CEO of TECNA. "Those workers could very well live in their districts and their states, and they may not know that," she said. The report's findings support its general tech policy lobbying, but she said the group hasn't addressed the abortion issue internally.

How employees or companies decide where to relocate or where to start a business is often based on many factors, Cornelius said.

"Seniors will move to a place that does not tax their pensions; young people will look at places with lower taxation because they could build wealth," he said. This could make a state with low taxes and reproductive rights protections attractive for younger people.

Cornelius said that new businesses will look at several things before setting up shop, including affordability, quality of life, the political and taxation climate, and whether a location meets their lifestyle.

Boyd expects that Bay Area companies looking to relocate, particularly those considering Texas, might now look to the Reno metro area for its low taxes and available land. Apart from the abortion issue in Texas, rising costs in Central Texas, housing and otherwise, could cause businesses to lose interest in the state, he said.

While some companies might prioritize abortion as an issue, others might take the long view and see what happens as state legislatures change or tweak laws, Boyd said. "They don't want to get involved in the political controversy if they can avoid doing so," he said.

But there is a risk for lawmakers, he said.

"These social issues have become a new platform for lawmakers to potentially alienate job creators," Boyd said.

Patrick Thibodeau covers HCM and ERP technologies for TechTarget. He's worked for more than two decades as an enterprise IT reporter.