



Site selectors: N.J.'s support of abortion access will help greatly in corporate relocation process

Stance on issue is considered key variable in a company's ability to attract top young talent – obviously making N.J. more attractive moving forward

By **Tom Bergeron** (New Jersey) - August 9, 2022



Jay Biggins, who has spent more than two decades working with major companies on their site selection process, didn't hesitate when asked if the push by many states to severely limit abortion rights would impact corporate relocation decisions.

"It's already happening," he said.

The idea came up this weekend, when Indianapolis-based Eli Lilly said it would be forced to grow outside of its home state for 145 years after Indiana signed into law a measure that restricts abortions. (New Jersey already is making a pitch to the pharma giant.)

Biggins, executive director of Princeton-based Biggins, Lacy & Shapiro, said he was not at all surprised by the company's response.



Jay Biggins. (File photo)

“Lilly has said formally what many companies are thinking – states that impose such restrictive laws at such striking odds with broad public opinion will impact their attractiveness as places for employees to live and work,” he said. “For business decision-makers this is a practical market reality, not a political or social policy issue.”

John Boyd, principal of The Boyd Company in Princeton, said the Lilly statement is an early sign of how abortion legislation will be impacting corporate site-selection decisions. And it shows, Boyd said, how New Jersey may benefit greatly.



John Boyd Jr. (The Boyd Co.)

“From a relocation standpoint and the ‘war between the states’ for new industry and jobs, it is early in the game, but we can see how this new dynamic may very well play out: New Jersey stands to benefit from last week’s turn of events in Indiana,” he said.

“Gov. Murphy’s narrative about reproductive rights for women being etched in granite in New Jersey is a timely message that will resonate with many companies.”

Both Biggins and Boyd said the reasons go deeper than just making a public statement about abortion accessibility. This is about being able to attract the next generation of workers – a segment of the population that tends to be passionate about social issues.

“What is driving this dynamic is all about HR – and the ability of pharma companies, indeed the tech industry across the board – to be able to recruit the best and brightest,” Boyd said.

“It is felt that the absence of reproductive rights for women puts these companies behind the eight ball, puts them at a competitive hiring disadvantage. At the end of the day, companies are only as good as their people. National polls have indicated the majority of people – 60 percent or so – favor abortion rights for women,” he said.

Then there’s this: Site selection often comes down negatives more than positive. That is, once a company has narrowed its potential choices, it often looks to eliminate places until one is left rather than finding a way to elevate one over others.

Anything that potentially could limit the ability to hire obviously would be a major negative.

Ted Zangari of Newark-based Sills Cummis and one of the top attorneys in the state on all matters involving corporate relocation, said abortion access is the latest addition to a suddenly surging number of variables – a list that recently included the work-from-anywhere idea as well as a company’s stance on DEI and ESG issues, gun rights and election rights.



Ted Zangari. (File photo)

“The big question is whether and to what extent a factor such as access to abortion procedures will be added to the set of criteria companies use to screen potential states,” he said. “Or, if a decision comes down to two roughly equal states, one of which is lower-cost but on the ‘wrong’ side of an issue, will a company choose the higher-cost state because of its more enlightened stance on that controversy?”

“Would a single issue move the needle, or would it take a string of unpopular state and local decisions to affect a location decision? Only time will tell.”

Biggins agrees there is a long list of variables – more than 100 data points, he said. But he also said he can’t remember a single-issue impacting site selection as much as abortion rights.

The tight job market only adds to the scenario, Biggins said.

“Companies competing for well-educated employees in tight and mobile talent markets must now weigh the risk of being able to attract employees when considering whether to locate operations in such outlier states,” he said. “This will result in those states being downgraded or even eliminated from consideration for new projects, and some companies will even begin to migrate existing operations from these states to other locations where policies are more balanced with public preferences.”