



How governors and CEOs are negotiating deals in abortion-ban era

Published Mon, Jul 10, 2023
Scott Cohn@ScottCohnTV

Key Points

- One year after the Supreme Court returned the question of abortion rights to the states, governors on both sides of the issue are touting their state laws in economic terms.
- Early research suggests many women — and men — would refuse to work in a state that bans or significantly restricts abortion.
- CNBC's annual state competitiveness rankings consider abortion rights, but also consider net migration as several abortion-banning states gain population.



Governor Healey on the state of Massachusetts' economy

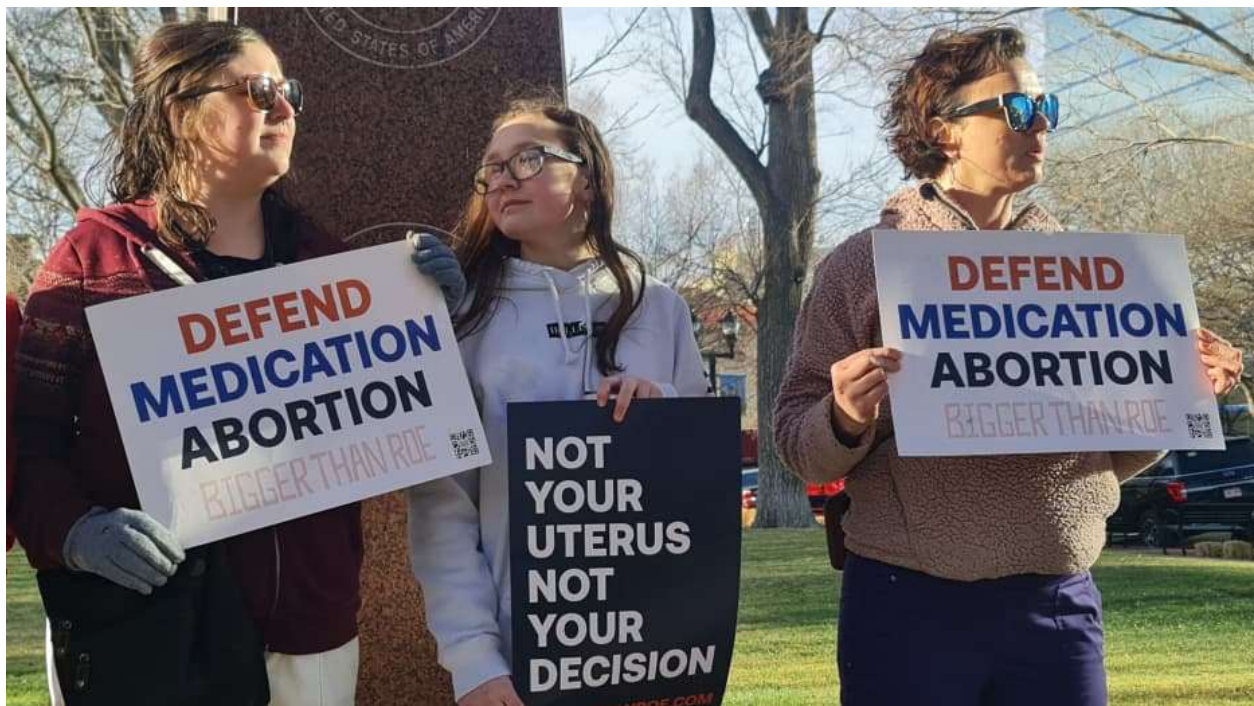
When Michigan Gov. Gretchen Whitmer signed the repeal of her state’s abortion ban in April, she framed it in terms of competitiveness — a draw for women and for companies.

“If you don’t think abortion’s about the economy, you might not have a uterus,” said Whitmer, a Democrat.

Texas Gov. Greg Abbott sees it as an economic issue too. But he said his state’s abortion ban was drawing companies there.

“There’s a lot of businesses and a lot of Americans that like the social positions that the state of Texas is taking,” Abbott, a Republican, said on CNBC in 2021 after the law was first passed.

One year after the Supreme Court returned the issue of abortion rights to the states, the truth about abortion and the economy is far murkier than either governor portrayed it.



Abortion rights advocates gather in front of the J Marvin Jones Federal Building and Courthouse in Amarillo, Texas, on March 15, 2023. Moises Avila | AFP | Getty Images

Governors of states that have codified abortion rights are using their laws as a selling point.

In an interview, Massachusetts Gov. Maura Healey said the pitch is resonating.

“We know having heard from employers that this matters to their employees, and Massachusetts is a state where we protect women’s access to needed health care,” said Healey, a Democrat.

But there is no evidence yet of an influx of workers or businesses resulting from the state's protections of reproductive rights. In fact, Massachusetts is still dealing with population declines.

In New York, where fellow Democratic Gov. Kathy Hochul said in an interview that she has been known to "cold call" CEOs and point out the state's abortion rights, she could not point to any individual companies that bought the pitch.

"I don't have a specific case to point to, but I get their attention," she said.



Governor Hochul on \$100B Micron chip factory to be built outside of Syracuse

While some states with abortion restrictions, like Texas, are among the leaders in net immigration according to Census data, there is no evidence that those laws are a draw.

How workers feel about abortion-ban state employers

Early research suggests that women — and professional women in particular — are paying close attention to state reproductive freedoms — and access to abortions — in deciding where they are willing to live and work. That is potentially crucial in an era of critical worker shortages.

The annual CNBC/Momentive Women at Work Survey, conducted in February, asked 10,728 adults — including 5,420 women — about their views on the developing patchwork of state laws. Younger working women were some of the most motivated by last year's Supreme Court ruling: 32% of working women aged 18-34 said they would not work in a state that limits or bans access to abortion. The survey also said that 18% of working women aged 35-64 and 21% of working women 65 and over were unwilling to move to a state with a ban.

In addition, the survey said 29% of working women that make \$100,000 or more per year said they will not work in a state that limits or bans access to abortion, and 23% of women with incomes of \$50,000-\$99,999 and 21% of women with incomes under \$50,000 agreed.

The survey even found that 15% of men would refuse to work in a state with abortion restrictions.

Just 8% of working women and 10% of men said they would only work in a state that does ban abortion.

Health-care cost considerations for companies

For companies, locating in a state that bans abortion could have other costs. Following the Supreme Court ruling, several major employers adopted policies to pay the travel expenses for employees who must leave the state to access reproductive care. They include Amazon, Bank of America, Comcast, Disney and Starbucks. It is too early to quantify those costs, and there is no sign yet of companies factoring them into their location decisions.

While there is no sign of a mass exodus of companies from abortion-restricting states, some firms are dropping some not-so-subtle hints.

After Indiana passed its abortion ban last year, Indianapolis-based pharmaceutical company Eli Lilly

issued a statement saying that it was concerned about its ability to attract diverse talent to the state.

“Given this new law, we will be forced to plan for more employment growth outside our home state,” the statement said.

In neighboring Illinois, where abortion remains legal, Democratic Gov. J.B. Pritzker was quick to put out the welcome mat.

“I want to make sure that they know they’re welcome in Illinois,” he said. “We treat workers here well.”

To make his point in Texas, Abbott specifically called out Tesla and SpaceX CEO Elon Musk as a supporter of his state’s “social policies.”

Musk attempted to sidestep the political issue.



Elon Musk has expanded a number of his companies within Texas, including Tesla, SpaceX, the Boring Co. and Neuralink. Tesla broke ground on a lithium refinery in Texas earlier this year with Governor Greg Abbott in attendance. Christophe Gateau | Pict

Site selection consultant John Boyd, Jr., of The Boyd Company said states will need to pay attention to the economic development aspect of the debate, if for no other reason than the fact that some companies are seeking to use the controversy to their advantage as they negotiate with states.

“These companies will use these things for leveraging,” he said. “There’s always some level of gamesmanship involved.”

CNBC’s [America’s Top States for Business](#) study takes the debate into account in the 2023 [methodology](#), with reproductive rights as one of several metrics in the Life, Health and Inclusion category. But the overall rankings comprise 86 metrics in all, including migration patterns as part of the Workforce category.

As these complicated issues play out, experts say, workers will ultimately vote with their feet.

Disclosure: Comcast owns NBCUniversal, the parent company of CNBC.