



Abortion benefits become double-edged sword

Businesses offering abortion benefits have seen an 8% increase in job posting clicks, but they also are seeing a significant increase in employees referring to them as 'woke.'



By Patrick Thibodeau, Senior News Writer
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Companies that provide abortion benefits might gain an advantage in recruiting, according to a new study. But these benefits, which usually include covering employee travel costs from a state that has banned abortions to one that hasn't, come with a tradeoff: Not all employees are happy with it; some employees have accused their employers on social media of being "woke."

A German research institute found that companies with reproductive care policies, enacted after the Supreme Court's reversal of *Roe v. Wade* last year, had 8% more clicks on job postings compared with similar companies that did not announce such benefits. The IZA Institute of Labor Economics study used data from the job site Indeed.

In states with trigger laws that immediately banned abortion following the ruling on June 24, 2022, job ads for female-dominated roles -- which in business tend to include HR managers, executive secretaries and administrative assistants -- saw a significant increase in clicks, according to the study. The results showed that companies can recruit more workers of specific genders and political beliefs by offering abortion benefits, researchers said.

However, the study also examined Glassdoor's anonymous employee reviews of companies that offer abortion benefits. It showed a decrease in ratings for senior management and reported a 325% increase in the use of the word *woke* in reviews. The drop in satisfaction was more pronounced in male-dominated jobs.

Double-edged sword

Businesses that began offering abortion benefits faced some risks following the court decision. For example, some Texas lawmakers were threatening criminal prosecutions of businesses. That hasn't happened yet, but research also shows that abortion benefits come with complications.

"Responding to hot-button issues is complicated," said Crystal Styron, senior principal in the Gartner HR practice. Executives need to consider "unique preferences and demographics when considering when and how to weigh in on sociopolitical issues," she said.

Taking a strong stance may alienate others who are not in favor of that position. **Crystal Styron** Senior principal, Gartner HR practice

"Taking a strong stance may alienate others who are not in favor of that position," she said.

The IZA Institute's research paper was based on an analysis of 3 billion job seeker clicks on U.S. job postings on Indeed and 6.5 million company reviews on Glassdoor.

Evan Starr, associate professor of management and organization at the University of Maryland's Robert H. Smith School of Business and one of the researchers on the study, said the findings "suggest that firms that announce that they will cover out-of-state abortions experience an increase in job seeker interest, but it is coming mostly from states where abortions are already legal."

The abortion benefit is "more of a way to signal firm culture rather than provide an actual fringe benefit," Starr said. On the flip side, covering out-of-state abortions is a turnoff for others in the company, notably men, he said.

Polarizing risks

David Lewis, president and CEO of OperationsInc, an HR consulting firm in Norwalk, Conn., said the abortion benefits issue can create a polarizing work environment by "creating support from one population and negativity from another."

"You also are running a huge risk around how employees and clients feel about the issue," he said.

Lewis said his advice to employers is only to address the issue when a job candidate or employee asks about it. And "stay far away from using your stance -- on either side -- as a marketing message, for fear you can't win," he said.

Offering abortion benefits is also tricky, and the best approach might be "doing so somewhat covertly," Lewis said.

Gartner's research has found that younger, more liberal female employees favor abortion-related benefits and statements from their organizations and are more likely to be willing to change jobs or move to states based on abortion policies and laws, Styron said.

It also found that employees "who agreed with the stances their employers took on sociopolitical issues overall were roughly 60% likely to feel more engaged," she said.

However, about half of employees "did not believe it was important that their organizations took either an internal or external stance on sociopolitical issues, including abortion access," Styron said.

Soon after the Supreme Court's decision, there was speculation that abortion restrictions might influence corporate site selection. But only a few cases emerged, said John Boyd, principal of The Boyd Co., a corporate site selection consulting firm in Boca Raton, Fla.

"Red states dodged a bullet," he said.

That hasn't stopped some blue states from making reproductive rights protections "fundamental to their economic development approach," Boyd said.

But overall, in terms of site selection, Boyd sees the emergence of crime as a leading issue in office locations.

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