

# BISNOW

## **CRE Firms Sign Brief Calling Texas Abortion Ban 'Bad For Business'**

February 5, 2024 Olivia Lueckemeyer, Dallas-Fort Worth

Texas' record levels of in-migration and historic job growth point to an economy that is firing on all cylinders. But the state could be doing even better and may be sacrificing billions in lost opportunity due to its abortion ban, according to an amicus brief signed by 51 individuals and businesses, including half a dozen real estate firms.

The business argument against the state's reproductive laws comes in support of plaintiffs in *Zurawski v. Texas*, a case being decided by the Texas Supreme Court. The brief says the ban deters companies and workers from coming to the state, driving up insurance costs for dozens of companies and creating obstacles to attracting new businesses, visitors and events.



*Wikimedia Commons/Pro Choice Texas*

As evidence, the brief cites a study from the Institute for Women's Policy Research finding Texas' restrictions could be costing the state almost \$15B per year by reducing labor force participation and earning levels as well as increasing turnover and time off from work among women aged 15 to 44.

The brief outlines eight examples of business people who either left the state or declined to move there as a direct result of the ban and lists 65 national companies that have incurred extra costs by offering benefits and policies covering travel expenses for employees seeking reproductive care, including Starbucks, Microsoft, Walmart and Tesla.

"When women and families cannot access critical and necessary healthcare; when they are fearful to travel to or reside in Texas; when businesses get pushed out because they cannot recruit top talent — they will leave," the brief says.

The brief also claims the ban is impacting large conferences and events, pointing to the Society of Women Engineers, among other examples. The organization announced it would no longer hold Texas events after garnering significant backlash when it held its 2022 conference in Houston.

"Even if you think abortion is wrong, the way the laws are drafted in Texas are creating a business impact," said Emily Harbison, partner at Reed Smith and co-author of the amicus brief. "Texas is losing money."

Female-focused dating app Bumble, headquartered in Austin, was the first to sign the brief. The company was followed by 50 others, including six hospitality and property management firms, among them Goodnight Hospitality, Storable and Zilker Properties.

So far, though, no independent research has been conducted to measure the loss, and negative consequences haven't been borne out by economic data, site selection expert John Boyd, CEO of The Boyd Co., told *Bisnow*.

"We are not seeing abortion really move the needle on corporate location decisions," he said.

Over the last two years, the majority of Texas' population growth has been due to people moving from other states. Texas grew its workforce by 3% last year by adding more than 407,000 jobs, more than any other state, according to Gov. Greg Abbott's office.



*Unsplash/Dale Honeycutt*  
The Texas Capitol in Austin

But there are individuals and companies that would never consider Texas due to its political climate, Boyd said. Those invisible losses, known as opportunity costs, can't be fully quantified, but Boyd pointed to North Carolina's highly controversial bathroom bill, which in 2016 led to a number of high-profile exits and wreaked havoc on the state's economy, as a possible example of what could happen in Texas.

Texas has seen a significant decline in corporate relocations, notching just 16 last year after spiking to 79 in 2021, and some of those decisions could have been partly political in nature, Boyd said.

"It's impossible to ever know the number of possible site selection projects or relocations or expansions or conventions or concerts that eliminated North Carolina out of the gate because of the bathroom bill," he said. "The same is true with abortion. While the data doesn't show any economic fallout or slowdown with respect to in-migration or relocations into Texas, it's really impossible to know."

Studies conducted since the reversal of *Roe v. Wade* indicate more people are considering access to reproductive care when choosing where to live. More than half of U.S. homebuyers and sellers said in a 2022 Redfin survey they wanted to live in a state where abortion is legal, an increase of 40% over 2021.

Meanwhile, 51% of women 18-54 have considered moving out of Texas, according to a 2023 survey by Texas 2036. Thirteen percent of respondents said politics or social issues were behind their desire to relocate.

Peach Reynolds, one of the amicus brief signatories and co-owner of Austin-based Zilker Properties, said he helped a couple last fall that was “fed up” with the state’s political climate sell their home and move to Cleveland.

The transaction resulted in a commission for Reynolds, but if homeowners are fleeing the market, the overall effect on his business is a negative one.

“They took their money and moved elsewhere,” he said.

Yet that trend hasn't caught on in a measurable way to date. And Texas’ appeal as a low-cost place for doing business has thus far proved more compelling than political factors.

“A lot of sophisticated business people look at all this that way: The fundamentals of business in Texas trump a lot of these divisive political issues that are best left dealt with in other ways,” Boyd said.

Zurawski v. Texas was brought by the Center for Reproductive Rights on behalf of 20 former patients who claim they were denied medically necessary abortions because their doctors feared legal retribution. Two healthcare providers are also plaintiffs in the case.

The center filed a similar lawsuit on behalf of Kate Cox, a Dallas mother of two who at 20 weeks pregnant was told her fetus had a rare and deadly genetic condition. Cox had hoped to gain access to an abortion in Texas but ultimately had to leave the state in December to end the life-threatening pregnancy.