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COULD ABORTION BAN TARNISH TEXAS' BUSINESS-FRIENDLY IMAGE?

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The Texas economy has fueled strong job growth and investment in recent years even as businesses in the state have increasingly found themselves embroiled in culture war issues ranging from vaccine policies to when sports teams must play the national anthem.

But the politics surrounding abortion could challenge that resilience.

Texas has banned most abortions in the wake of the U.S. Supreme Court decision striking down the nationwide right to the procedure — the opposite position of some states from which it has been attracting steady streams of corporate relocations and new workers, such as California, Illinois and New York.

In addition, a number of socially conservative Republican lawmakers in Texas have said they plan to mount efforts during next year's session of the Legislature to punish companies that help their employees obtain out-of-state abortions.

Possible measures include barring "corporations from doing business in the state of Texas if they pay for (out-of-state) elective abortions or reimburse abortion-related expenses" — as state Rep. Briscoe Cain, R-Deer Park, and 13 other state House members outlined in a May letter to ride-hailing service Lyft — to making such companies ineligible for state contracts or publicly funded financial incentives.

It's unclear if any of those efforts will gain sufficient political traction to become law or withstand legal challenges if they do so.

But the state's anti-abortion stance already has put it at odds with many private-sector employers. Dozens of corporations nationwide have announced they back abortion rights and intend to support workers who want to obtain the procedure.

Austin-based companies that have done so include electric automaker Tesla, job search firm Indeed.com and dating app company Bumble. Others with big operations statewide include Facebook parent Meta and Dallas-based AT&T, as well as Lyft and fellow ride-hailing service Uber.

"We are committed to supporting our employees in their

own decisions about their health," Indeed said in a written statement. "Not only will employees be reimbursed for travel expenses for covered medical procedures that are unavailable where they live, but we are also covering their dependents."

'May be a bigger test'

The upshot is likely to be a draw-out controversy with possible legal ramifications for the business community. Some experts said the conflict could dent Texas' business-friendly image and make companies think twice about expanding or moving here as they assess the impact on their employees, investors and public reputations.

"We have had other social issues that have been controversial in the past, and it hasn't slowed (the Texas economy) down, but this may be a bigger test," said [Justin Yancy](#), president of the [Texas Business Leadership Council](#).

"The ruling by the Supreme Court (leaving the legality of abortion up to individual states) certainly has the potential to weigh on a company's decision-making," said [Yancy](#), whose organization hasn't taken a position on Texas' abortion policies. "It remains to be determined" if that will be the case.

Texas is among about half of U.S. states in which abortion bans are either in place or expected to be so eventually in the wake of the Supreme Court's June 24 ruling.

It also has been among the top states nationwide in terms of attracting business investment, recently winning recognition from Site Selection magazine for outpacing all others in 2021 for capital-intensive development — the 10th year in a row for it to receive the award.

That success has been achieved even though businesses in Texas have drawn the ire of conservative state lawmakers as cultural issues have risen in importance within the state's GOP.

"There has been a shift in the Republican Party (in recent years) that suggests an increased willingness to push back against businesses that are perceived as taking positions on politics based on their read of the preferences of either their consumers, their employees or their investors," said Jim Henson, a University of Texas political scientist.

During last year's state legislative session, the shift manifested itself in successful efforts by social conservatives within the GOP-controlled state government to curb the autonomy of individual businesses or punish their behavior when it comes to a number of hot-button

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issues, including gun ownership, climate change, proof of coronavirus vaccinations and the playing of the national anthem.

Lawmakers approved legislation blocking companies from obtaining state contracts if they boycott the fossil fuel sector or the gun industry, or if they require customers to show proof of coronavirus vaccinations. Other such measures include a law requiring professional sports teams in Texas to play the national anthem at the start of home games or risk losing subsidies and other public funding.

So far, the benefits of doing business in Texas — such as the lack of a personal income tax — have continued to tip the scales in the state's favor for most corporate executives weighing expansions and investment here.

But Henson, director of the Texas Politics Project at UT, said the calculus could change.

"These kinds of laws that are limiting who the state does business with or how businesses operate, they are getting directly involved in corporate governance and corporate strategy," he said. "They certainly increase the negative side of the ledger."

As for the budding efforts by some state lawmakers to retaliate against companies that help employees obtain out-of-state abortions, Henson said it's unclear at this point if they will have enough support to win approval.

But he also said the political appetite to enact those measures could end up having an inverse relationship to the number of businesses involved. That's because the more companies that opt to take such actions to support their employees, the greater the potential for "negative economic blowback" on Texas if the state government tries to stop them, he said.

Unfazed by 'doomsday predictions'

A spokeswoman for Texas House Speaker Dade Phelan, R-Beaumont, said he had no comment on the issue, while representatives of Gov. Greg Abbott and Lt. Gov. Dan Patrick didn't respond to messages seeking comment. All three of those Republican state leaders applauded the recent Supreme Court decision overturning *Roe v. Wade*, the 49-year-old ruling that had established the nationwide right to abortion.

John Seago, president of the anti-abortion group Texas Right to Life, said the angst surrounding the potential economic impact of the state's abortion ban is merely par-for-the-course hand-wringing that happens whenever

social conservatives score legislative victories.

Seago also voiced support for the effort to prevent companies from providing aid for their employees to go outside the state for abortions, although he said his organization has other priorities, such as making sure the in-state ban is enforced and trying to increase resources for pregnant women.

"We hear this every legislative session when we do something bold in terms of social policies," he said of the economic concerns. "None of those (predictions) have come true — none of those big economic doomsday predictions have even come close to coming true" after past legislative gains.

"I don't think (the abortion ban) is going to have that effect, and thankfully the political party in charge right now is not concerned about that either," Seago said, referring to the Republican Party.

Waco economist Ray Perryman is among those who said it should be.

"In essence, the recent Supreme Court decision, among its many other effects, has made reproductive rights a more significant point of differentiation among states with regard to the competition for economic development, and one which will work to the long-term disadvantage of Texas," Perryman said.