



**INSTITUTE
FOR WOMEN'S
POLICY
RESEARCH**

A JUST FUTURE BEGINS WITH BOLD IDEAS.

Research Summary

May 2021

The Costs of Reproductive Health Restrictions: An Economic Case for Ending Harmful State Policies

Access to comprehensive reproductive health care is central to gender equity and women's full participation in the workplace. For businesses, restrictions on access to reproductive health care are not only at odds with stated corporate values, such as equity and inclusion, they also affect the ability of companies to deliver on their value propositions.

In recent decades, a rise in state efforts to limit access to comprehensive reproductive health care has threatened women's equality and participation in the workforce and put state and regional economies at risk. Between January 1st and April 29, 2021 alone, 536 abortion restrictions, including 146 abortion bans, were introduced across 46 states. Sixty-one of those restrictions have been enacted across 13 states, including eight bans. The effect of these restrictions is amplified by federal policies such as the Hyde Amendment, which limits the use of federal dollars for abortion. These measures fall hardest on women that already face systemic obstacles accessing health care and economic opportunities—including Black women, Hispanic women, low-income women, rural women, LGBTQ+ individuals, and more. To date, the economic costs of these restrictions have not been fully articulated.

Spurring Economic Growth

Women’s participation and advancement in the workforce is key to creating a positive business environment and spurring economic growth. Yet one critical factor in achieving workplace equality for women remains unaddressed: ensuring access to the full range of reproductive health care, including contraception and abortion. Businesses should use their voice and influence to support access to comprehensive reproductive health care for their employees, customers, and communities where they live and work.

This new IWPR new research finds that advancing restrictive reproductive health policies puts economies and business environments at unnecessary risk and limits women’s economic potential.

Protecting Access for All Women

The COVID-19 pandemic devastated the U.S. economy, with women—especially women of color—bearing the brunt of the crisis. For women of color, a lack of access to affordable reproductive health care on top of existing racial and gender inequities hinders their ability to achieve economic security and fully participate in the economy. An equitable recovery from the “she-cession” will ensure that all women are empowered to make reproductive health choices that are in the best interest of themselves, their families, and their careers.

Because of systemic racism and other structural barriers, women of color are more likely to face challenges in accessing comprehensive reproductive health care. Disparities in health outcomes persist for women of color across a range of reproductive health issues—including maternal mortality, cancer screenings, and pregnancy protections in the workplace. Women of color are more likely than their White counterparts to be covered by Medicaid. This means they are disproportionately affected by the Hyde Amendment, which bans Medicaid coverage for abortion except in rare circumstances.

IWPR’s research estimates that ending all state-level abortion restrictions, which disproportionately burden women of color, would result in:

- A larger positive impact on labor force participation for Black and Hispanic women ages 15 to 44

- Significant earnings growth, with the greatest among Black working women ages 15 to 44

This increase in workforce participation and earnings will help foster economic growth while improving women's equality and narrowing the wage gap for women of color.

Note: Disaggregated data is crucial for understanding the impacts of reproductive health restrictions on women of color. However, limitations in the underlying data currently prevents the presentation of reporting findings based on race and ethnicity for many states.

Protecting Access for All Women

At the national level, IWPR estimates that state-level abortion restrictions cost state economies \$105 billion dollars between 2018 and 2020—by reducing labor force participation and earnings levels and increasing turnover and time off from work among women ages 15 to 44 years.

IWPR's analysis estimates that, on a national scale, if all state-level abortion restrictions were eliminated:

- An additional 505,000 women aged 15 to 44 would enter the labor force and earn about \$3.0 billion dollars annually.
- Currently employed women aged 15 to 44 would gain \$101.8 billion in higher earnings annually.
- The income of individual women aged 15 to 44 would be \$1,610 higher—with an impact from \$0 in Vermont to \$2,879 in Nebraska.
- National GDP would be nearly 0.5 percent greater—ranging from zero percent in Vermont to over one percent in Missouri.

Methodology

This brief provides a research summary for the Costs of Reproductive Health Restrictions tool.

The research sought to answer the following question: What are the costs of abortion restrictions at the state level?

For all population-level macro analyses, three years (January 2018 – December 2020) of U.S. Bureau of Labor Statistics (BLS) data from the monthly Current Population Surveys (CPS) were pooled.

Given the research focus, and CPS's binary choice for sex (male or female), analyses was limited to participants who self-identified as women of reproductive age (i.e., ages 15 to 44). These analyses use the term "women" to describe people who self-identified as female and assumes that these individuals are directly affected by restrictions on access to abortion care. IWPR acknowledges that not all people who can become pregnant identify as women, including transgender and gender nonconforming individuals. The use of the term "women" reflects an absence of underlying data on gender identity and transgender status. An additional limitation of the data used for these macro-

level analyses is the absence of information on respondent's fecundity, reproductive behaviors, and fertility intentions.

Four components of the costs to businesses and state economies described in detail below were examined to assess the cost of state-level abortion restrictions. The key independent variable for all analyses was number of state-level abortion restrictions, constructed using the Guttmacher Institute's ["Overview of Abortion Laws"](#) (January 1, 2021).¹

For this ordinal measure, the abortion restrictions tracked by the Guttmacher Institute were weighed equally and combined into the following eight categories:

1. TRAP Laws
 - a. Must be performed by a licensed physician
 - b. Must be performed in a hospital if at (gestational age)
 - c. Second physician must participate if at (gestational age)
2. Bans of Procedures
 - a. Prohibited except in cases of life or health endangerment if at (gestational age)
 - b. “Partial Birth” abortion banned
3. Public Funding Restricted – Funds limited to life endangerment, rape, and incest
4. Private Insurance Coverage Limited
5. Provider Can Refuse to Participate
 - a. Individual
 - b. Institution
6. Mandated Counseling Includes Information on:
 - a. Breast cancer link
 - b. Fetal pain
 - c. Negative psychological effects
7. Waiting Period (18 or more hours after counseling)
8. Parental Consent Required for Minors

U.S. states including the District of Columbia (D.C.) were then assigned into abortion restrictions categories ranging from 0 to 8 based on the number of abortion restrictions enacted in that state. All abortion restrictions were

¹ Guttmacher Institute, “Overview of Abortion Laws,” (January 1, 2021). <<https://www.guttmacher.org/state-policy/explore/overview-abortion-laws>>.

weighed equally in estimating the economic impacts on women's labor force participation and earnings.

Drawing on Rhia Health's illuminating report, *Hidden Value: The Business Case for Reproductive Health*, the project sought to chart out costs to businesses in relation to the report's key pillars: "widening the pipeline" of talent, "supporting and retaining existing talent," and "delivering on diversity and inclusion."²

MODELING "WIDENING THE PIPELINE" AS INCREASED LABOR FORCE PARTICIPATION

To estimate the impact of state-level abortion restrictions on women's labor force participation, a multivariate logit model for being in the labor force was estimated—controlling for age, race and ethnicity, educational attainment, current school enrollment, residence in a metropolitan area, and geographic region. Using the results from this model and the postestimation commands available in Stata, the predicted number of women in the labor force was compared to the predicted counterfactual that the number of abortion restrictions were zero.

The difference between the size of the labor force under current policy to the size of the labor force without any abortion restrictions estimates the number of new participants in the state labor force. In addition to calculating the number of additional women in the labor force, the increased economic impact was estimated assuming that they would have earnings equivalent to the average annual earnings of similar women in their state. Nationally, this method estimates that if all state-level abortion restrictions were eliminated, 505,000 more women aged 15 to 44 would be in the labor force and that they would earn over \$3.0 billion dollars annually, an amount that would go back into the state's economy.

²

Rhia Ventures, *Hidden Value: The Business Case for Reproductive Health* (2020), <https://rhiaventures.org/wp-content/uploads/2020/01/Hidden-Value_The-Business-Case-for-Reproductive-Health.pdf>.

MODELING “SUPPORTING AND RETAINING EXISTING TALENT” AS HIGHER WAGES

To evaluate the impact of state abortion restrictions on women’s earnings among those employed in the private sector, a multivariate linear regression model for weekly earnings (logged) was estimated—controlling for age, race and ethnicity, educational attainment, current school enrollment, residence in a metropolitan area, geographic region, weekly hours worked (logged), and occupation and industry categories. The number of state abortion restriction categories, ranging 0 to 8, was included as the key independent variable.

Using the results from this model, the predicted earnings for women in the private sector were compared to the predicted earnings under the counterfactual of zero state-level abortion restrictions using the postestimation commands available in Stata. Nationally, this method estimates that annually employed women aged 15-44 would earn **\$101.8 billion** more if all state-level abortion restrictions were eliminated.

CALCULATING COSTS TO BUSINESSES OF TURNOVER

Costs for turnover were based on the data from several sources outlined below to estimate the number of working women who would be terminated by their employers for taking time off work to obtain an abortion and the cost to the business for replacing them.

First, the number of abortions reported by state by the Guttmacher Institute Data Center for 2014 and 2018–2020 CPS data for employment by state were used to calculate the number of working women seeking abortion care by state. These were multiplied by the percentage (12.8 percent) of women aged 15 to 44 who reported being terminated by their employers after taking family or medical leave in the previous 12 months³ This assumes that the risk of termination faced by working women for taking time off work to obtain an abortion would be the same as the risk women face when pursuing any other medical care.

Finally, the costs to the businesses for replacing women who would be terminated by their employers for taking time off work to obtain an abortion were estimated using the typical cost of turnover for positions earning less than

³ IWPR analysis of the 2018 FMLA Employee survey public release data available at <<https://www.dol.gov/agencies/oasp/evaluation/fmla2018>>.

\$30,000 annually of 16.1 percent of employee’s annual salary estimated from the 2018–2020 CPS as reported in Boushey and Glynn (2012).⁴

Turnover costs were not calculated for states that guarantee workers job protection for paid sick days; the time taken by patients seeking abortion services should be protected from retaliation in the form of termination.

CALCULATING COST TO BUSINESSES FOR WAITING PERIODS OF MANDATED COUNSELING SESSIONS

State policy information comes from the Guttmacher Institute’s “Overview of Abortion Laws” (January 1, 2021) on states that require more than one appointment for an abortion procedure for reasons such as counseling sessions and waiting periods. The estimate is based on the number of abortions reported by state in the Guttmacher Data Center for 2014. Using data from the 2018- 2020 CPS for employment by state, the number of working abortion patients was estimated. Costs for waiting periods and mandated counseling were calculated based on assuming an additional day off from work to meet these additional requirements and calculated using the estimated wages for full workday at the average wage rate for women ages 15 to 44 in the state.

These costs for obtaining abortion care are included in the totals reported for women of reproductive age, 15 to 44 years.

This summary was prepared by Jeff Hayes, PhD, and Michelle Hawks Cuellar, PhD, MSPH. The research project to inform the tool was led by IWPR’s Center on the Economics of Reproductive Health and made possible by the support of Tara Health Foundation and Waxman Associates.

⁴ Heather Boushey and Sarah Jane Glynn, “There Are Significant Business Costs to Replacing Employees,” Washington, DC: Center for American Progress (2012).
<<https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>>.