

North Carolina's Anti-LGBTQ Law Provokes Business Reprisals

By Blake E. Guerrero, J.D. Candidate 2018 | April 20, 2016

“These laws are bad for people, bad for business and bad for job growth,” declared Brad Smith, Microsoft’s president and chief legal officer, in the wake of [Anti-LGBTQ laws](#) being enacted across the country. On March 23, 2016, Governor Pat McCrory signed [House Bill 2](#) (HB2) into law. This bill destroyed all existing anti-discrimination protections for LGBTQ people throughout the state of North Carolina.

In March of last year, the state of [Indiana](#) passed a similar law that also targeted the LGBTQ community with regards to employment discrimination laws. This law had a tremendous effect on the state’s business and economy. In [Indianapolis](#) alone, \$60 million in future business convention revenue was lost. Additionally, over 1,000 trips were cancelled that spring and summer in response to the passage of the new law. These repercussions occurred even though Indiana overhauled their law after only [a week](#).

In North Carolina, the [Center for American Progress](#) has estimated the state’s economy could potentially lose upwards of \$568 million through 2018 as a result of HB2. They report that the state has already lost \$86 million and is estimated to lose approximately another \$481 million due to businesses leaving the state, cancelled events, and a decline in tourism.

Originally planning to expand in the state, [Deutsche Bank](#) is abandoning its project that would have added 250 new jobs in Cary, North Carolina. [PayPal](#) is also scrapping its plans to open a new global operations center in Charlotte after originally committing to employ over 400 new workers. Additionally, [Google Venture](#) has announced that it will no longer fund any North Carolina companies while HB2 remains law.

In the entertainment industry, [Hollywood stars](#) like Ringo Starr and Bruce Springsteen have cancelled shows in North Carolina to protest the new law. [Lionsgate](#) has also decided to move shooting for its new comedy series to Canada – abandoning its hotel and equipment rentals in the state along with its plans of hiring more than 100 workers.

[Tourism-oriented](#) business such as Airbnb, Lyft, Uber, Hilton Hotels & Resorts, Orbitz, American Airlines, and Marriott International have all have insisted that North Carolina repeal HB2. They have signed a [letter](#) demanding the repeal of the law along with Bank of America, Citibank, Barnes & Noble, Starbucks, Apple, Facebook, eBay, Yahoo, Twitter, YouTube, and others. The letter [noted](#) that the new law will “diminish the state's draw as a destination for tourism, new businesses, and economic activity.”

Responding to the public outcry and pressure from businesses nationwide, the governor of North Carolina backtracked and signed an executive order that expanded employment protections for LGBTQ state workers on [April 12](#). However, this executive order maintained provisions

targeting the transgender community, mandating that transgender people use the restrooms that correspond with their gender assigned at birth rather than with their gender identity.

In response to the growing number of anti-LGBTQ state laws, businesses are endorsing the [Equality Act](#) to “set uniform, federal protections that include sexual orientation and gender identity,” securing basic employment rights and also promoting economic growth.