

Pensions & Investments

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Asset managers affirm they'll pay for travel

Supreme Court abortion ruling prompts firms to cover expenses for employees

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The Wagner Law Group's Marcia S. Wagner: 'A firm like BlackRock is between a rock and a hard place. If employees demand abortion services, company management is pressured to provide them, while on the other hand, BlackRock and other managers run the risk of offending clients who may withdraw their investments.'

BlackRock, Fidelity and State Street have joined other firms in affirming that they would pay for employees' abortion-care travel expenses.

Asset managers BlackRock Inc., Fidelity Investments and State Street Corp. have joined [other financial services firms in affirming that they would pay for employees' travel expenses related to abortion care](#), wading into a divisive societal issue that could strain relationships with clients as well as employees.

Their comments came in the wake of the U.S. Supreme Court's ruling on June 24 in the Dobbs vs. Jackson Women's Health Organization case that overturned Roe vs. Wade, a case that set a federal precedent nearly 50 years ago guaranteeing women the right to seek an abortion. Abortion became illegal or more restricted in more than 20 states through trigger laws, new laws, or laws that preceded Roe, and employers are reacting.

Shortly after the court's ruling, J.P. Morgan Chase & Co. sent a memo to employees saying it would begin paying for them to travel for abortion care. Bank of America Corp., Goldman Sachs Group Inc. and Citigroup Inc. also sent emails to employees that day assuring them that they would pay for their travel.

Now, other financial institutions and money managers say they will do the same.

"In light of the U.S. Supreme Court's decision, we are working to ensure that all U.S. employees will have access to reproductive health care no matter what state they live in,"

State Street said in a statement emailed to Pensions & Investments. The firm, which has a \$4 trillion asset management unit, also said it would cover the costs for employees to travel outside of the state where they live to receive care.

Getty Images

Protesters attend a candlelight vigil in front of the U.S. Supreme Court to denounce the court's decision to end federal abortion rights protections on June 26, 2022 in Washington, DC.

Travel expenses

Pacific Investment Management Co., with \$2 trillion in assets under management, said in an email that the company is "responsible for ensuring our employees have equitable access to quality health care. As such, PIMCO will cover reasonable eligible travel expenses for those U.S. employees whose reproductive health services require travel to receive care out-of-state."

Private equity firms Blackstone Inc., KKR & Co., Ares Management Corp., The Carlyle Group Inc. and TPG Inc. also said they would cover travel expenses for employees seeking abortion care.

"We are concerned that overturning Roe may also have a ripple effect on other individual rights and disproportionately disadvantage underserved and minority communities," said Jon Winkelried, CEO of TPG, which is headquartered in both San Francisco and Fort Worth, Texas, in a statement. "We will stand and take actions in support of the women at this firm and elsewhere to preserve their rights."

TPG has \$120 billion in assets under management.

Franklin Resources Inc. and Capital Group Cos. will also cover the costs for employees to travel for medical care, including abortion, something both firms said they did before the Supreme Court's ruling.

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Fidelity Investments' employee health-care plans cover abortion services and the company has expanded coverage of travel expenses for medical procedures, including abortions, that are not available within 50 miles of a Fidelity employee's home, said Michael Aalto, a Fidelity spokesman, in an email.

Previously, Fidelity's health-care plans only covered travel and lodging costs for certain procedures, such as transplants, Mr. Aalto said..

"Fidelity's benefits are designed to support the total lives and well-being of our associates. We offer generous benefit packages that provide for in- and out-of-state care," Mr. Aalto said.

Fidelity managed \$4.3 trillion with discretion and \$11.3 trillion of assets under advisement as of March 31.

BlackRock Inc., the world's largest manager with \$9.6 trillion in assets, has not publicly commented about the Supreme Court's ruling. But on July 27, it sent a memo to employees saying it would cover travel expenses for abortion care, Yahoo Finance reported. The money manager declined requests by *P&I* for comment.

"Through company-sponsored health insurance, we have long provided reproductive health-care services, including coverage for birth control and abortion or miscarriage care," Manish Mehta, BlackRock's global head of human resources, wrote in an email to staff, according to Yahoo.

How employees will engage companies about the travel benefit, and how their privacy would be protected from states that seek information about their health care, is unclear.

A number of asset managers that *P&I* reached out to about covering travel costs related to abortion care did not respond. It is possible that those managers are in discussions with their insurance providers to change the benefits they offer. Others, like BlackRock, might be assuring employees they will cover the travel expenses internally, rather than publicly.

Getty Images

Abortion-rights activists argue with anti-abortion activists in front of the Supreme Court in the wake of the court's decision to overturn Roe v Wade.

Facing a 'conundrum'

Like other employers, asset managers are facing a "conundrum," said Marcia S. Wagner, founder and managing partner of The Wagner Law Group, a Boston-based firm that specializes in ERISA and employment law.

Paying for travel needed to secure abortion services for employees — or not — puts money managers in a tough place when it comes to their employees and clients. Some will be supportive of covering abortion services and some which will not, she said.

"The vast majority of professional women support the provision of abortion services," she said. "The question for employers is whether their workforces demand that these services are provided," Ms. Wagner said.

"A firm like BlackRock is between a rock and a hard place. If employees demand abortion services, company management is pressured to provide them, while on the other hand, BlackRock and other managers run the risk of offending clients who may withdraw their investments," Ms. Wagner said.

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