

Bond Case Briefs

Municipal Finance Law Since 1971

Citi to Cover Worker Abortion Travel as States Limit Access.

- **Bank says new benefit is response to laws in ‘certain states’**
- **Policy starting in 2022 ensures access to ‘adequate resources’**

Citigroup Inc. is starting to cover travel costs for employees seeking abortion after several states including Texas implemented or proposed a near-total ban on abortions.

“In response to changes in reproductive health-care laws in certain states in the U.S., beginning in 2022 we provide travel benefits to facilitate access to adequate resources,” the bank wrote in a filing for its shareholders meeting set for April 26.

The policy will cover expenses, such as airfare and lodging, that employees in places including Texas may incur if they’re forced to travel to receive an abortion, according to a person with knowledge of the matter.

In Texas, where Citigroup has more than 8,500 employees, Governor Greg Abbott signed legislation last year that banned abortion after a fetal heartbeat is detected, which can occur as early as six weeks. Under the law, individuals can sue doctors, clinic workers and others who help a woman end an unwanted pregnancy past the cutoff date. Texas and some other states have also sought to restrict medication-induced abortions.

Citigroup, led by Chief Executive Officer Jane Fraser, already has spent years in the Lone Star State’s crosshairs. The New York-based bank is seeking to revive its underwriting business in Texas after a law barred local governments from working with companies that discriminate against firearm entities prompted the firm to suspend its municipal-debt underwriting there for several months.

The bank follows companies including Match Group Inc. in responding to Texas’s near-total abortion ban. Match CEO Shar Dubey, whose Dallas-based company owns some of the biggest dating apps, said last year she was creating a fund to help cover the costs for employees and dependents who need to seek care outside the state. Competitor Bumble Inc., based in Austin, Texas, created a similar fund. Lyft Inc. and Uber Technologies Inc. pledged to pay legal fees for drivers sued under the Texas law.

Davia Temin, founder of New York-based crisis consultancy Temin and Co. and a Citigroup executive in the 1980s, said other politically progressive banks may follow the financial giant’s lead.

“Good for Citi. Under Jane Fraser they really are making great strides in equity, pay and otherwise,” Temin said. “Their decision just announced puts their female employees first, over the political wrangling of the day. They listened. Employees don’t forget that, they won’t forget that and they shouldn’t forget that.”

Citigroup’s proxy filing, posted after market hours on Tuesday, also provided an update on hiring and developments in compensation.

The bank ended the year with more than 223,000 workers around the world. The company enlisted

47,000 new employees in 2021, and filled an additional 27,000 roles through internal hiring, meaning nearly one-third of its staffers are new to the organization or to their jobs, Citigroup said.

In the U.S., the banking giant said it made some progress toward closing the racial pay gap in 2021. Minorities made 4% less than non-minorities did in 2021, an improvement from 6% a year earlier.

Still, on a global basis, median pay for women was 26% less than for men, a disparity similar to a year earlier.

Citigroup remains one of the few major companies to disclose its unadjusted pay gap. Instead, many of its competitors offer an adjusted look that takes into account an employee's role and location. On that basis, women globally are paid on average more than 99% of what men are paid at Citigroup.

"Gender parity is something we demonstrate from the very top of our organization," Citigroup said in the so-called proxy filing. "Eight of our 15 members of the board of directors are women and three are ethnic minorities. Jane Fraser is our first female CEO — and is the first woman to lead a major U.S. financial institution."

Bloomberg

By Jennifer Surane

March 15, 2022

— *With assistance by Jeff Green*