

**Target – Shareholder Meeting Question**  
**Justin Danhof, Esq., General Counsel and Free Enterprise Project Director**  
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I'm Justin Danhof, director of the Free Enterprise Project at the National Center for Public Policy Research. Thank you for the opportunity to talk with you today.

Target has come under scrutiny for its statement on inclusivity, \* which assigned restroom and fitting room use based on “gender identity” rather than legal or physical gender.

Many Americans are alarmed by the notion that a grown man, taken only at his word based on a subjective qualification, can use the restroom or fitting room at the same time as a young girl. Over 1.3 million Americans have signed a petition pledging to boycott this company because of this policy.

Following the company's statement, Target has suffered. The stock price was \$83.98 the day of the announcement. On Monday, it was \$68.81, an 18% drop in seven weeks.

In a May appearance on CNBC, CEO Brian Cornell compared the company's decision to mix the biological sexes in states of undress to the company's decision in the 1960s to use African-American models, saying the decision to use black models “wasn't well received.”\*\* The implication appears to be that people who believe sex is determined physically, or who simply don't want to be undressed near people who have a different physiology, are bigots, and morally equivalent to racists.

Investors have noted that Target, which has many unisex restrooms and a commitment to building more, could easily have avoided this entire controversy. Instead, as one financial analyst put it, Target “went in guns blazing” and “took a hard-line stance, promoting a very small social movement over the conservative sensibilities of millions of Americans.”\*\*\*

I have a quick two-part question: Is it the company's position that Americans who prefer to undress only near people of the same physical gender are bigots, the moral equivalent of racists? And second, since Target could have avoided most of this controversy, do you have any regrets about taking, as the financial analyst put it, “a hard-line stance” that, regardless of your intention, has made many Americans feel unwelcome at Target?

\* <https://corporate.target.com/article/2016/04/target-stands-inclusivity>

\*\* <http://www.dailywire.com/news/5715/target-doing-damage-control-after-transgender-james-barrett>

\*\*\* <http://investorplace.com/2016/05/target-tgt-stock-transgender-policy/#.V1YOCpMrL11>

*Contact: Judy Kent at (703) 759-7476 or cell (703) 477-7476 or [jkent@nationalcenter.org](mailto:jkent@nationalcenter.org)  
National Center for Public Policy Research  
20 F Street, NW, Suite 700 • Washington, DC 20001  
[www.nationalcenter.org](http://www.nationalcenter.org) • [www.conservativeblog.org](http://www.conservativeblog.org) • @NationalCenter*