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Surrogacy Is a Multibillion-Dollar Business—but Surrogates Can Be Left With Big Debts

Booming fertility industry, a new target of private-equity and other investors, is largely unregulated, leaving the women giving birth with few financial or legal protections

By Katherine Long Follow

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Nia Trent-Wilson owes $182,889.63 in medical bills for a baby that wasn't hers.

In late 2021, she agreed to act as a surrogate through an agency that paired her with a gay couple from Washington, D.C. The terms were typical: $70,000, plus fees in the event of potential health complications and a promise that the intended parents would cover medical costs.

Trent-Wilson had been a surrogate twice before and thought she knew what to expect. But this time, the pregnancy went badly sideways. Serious medical complications forced doctors to remove her uterus and fallopian tubes.

She went home with a bill. The parents went home with the baby.

Since its inception in the 1980s, surrogacy has been described by industry leaders and practitioners as an intimate gift to struggling parents from generous surrogates. Tens of thousands of people, including infertile and same-sex couples, have had babies through the technological advances of in vitro fertilization and the willingness of surrogates to carry those children.

But surrogacy in the U.S. has surged into a multibillion-dollar industry in which the women who bear the children have few financial or other protections—and even are sometimes surprised by strangers wielding legal documents taking the babies away after birth.

Once a pregnancy begins, a surrogate holds little leverage if payments aren't forthcoming. Agencies, some owned by corporate chains, lock surrogates into arrangements that one California judge has called the "contractual use of [a woman's] body" for a "profit venturing business."

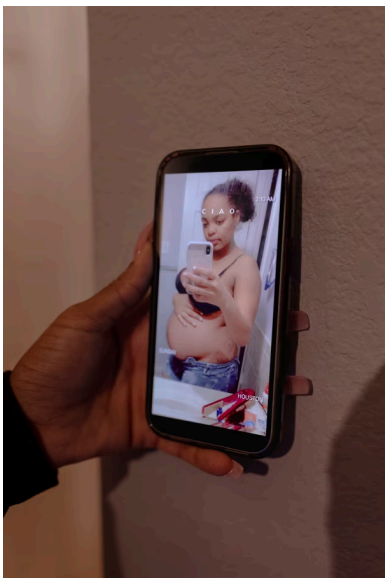
In Trent-Wilson's case, the judge said, the deal put a "no-risk obligation" on the agency while creating "tremendous risk" for the surrogate.

Surrogacy is an integral part of the broader fertility industry, a sprawling network that also includes IVF clinics, surgical centers and concierge services in which private equity has made aggressive inroads.

Some corners of the industry have become so transactional that babies are whisked away from hospitals not by their new parents, but by couriers with power of attorney documents. A baby born in Tennessee in February 2024, for instance, was picked up by a husband-and-wife delivery service called Babycoming Inc., working on behalf of a father in China, the surrogate, Lory Hood, said.

Trent-Wilson discovered that when the parents of the child she carried defaulted on what she believed were their financial obligations, she was suddenly on her own. "We're out here to fend for ourselves," she said.

The couple, Jason St-Fleur and Ricky Scott, didn't respond to requests for comment.





Trent-Wilson showed an image from one of her surrogate pregnancies. She lost her job during her recovery from complications in her last surrogacy.

LEXI PARRA FOR WSJ

Despite the physical and emotional risks placed on surrogates, the practice remains almost entirely unregulated. Lopsided contracts and disparities in wealth mean that when things turn sour, it's often surrogates who bear costs they can rarely afford, including medical bills and attorneys' fees, according to interviews with more than 40 surrogates, agency owners and surrogacy attorneys, and a review of court records and business filings.

Few surrogates feel comfortable speaking out when things go wrong. Clauses in the contracts bar them from sharing the identities of the parents they worked with.

"There is an imbalance of power," said Angela Richardson-Mook, the founder of New York agency Alcea Surrogacy. "Surrogacy is expensive, and the average person seeking surrogacy has more resources at their fingertips than the people applying to be a surrogate."

Competitive recruitment

The U.S. is a leader in the global surrogacy industry. In 2023, the most recent year data is available, nearly 11,000 surrogates underwent an embryo transfer, a figure that has more than doubled since 2014, according to data that represents around 95% of IVF procedures collected by an industry group.

In the race to recruit surrogates to meet booming demand, not every agency follows practices suggested by organizations such as the Society for Ethics for Egg Donation and Surrogacy to screen out women in precarious financial or living situations, surrogates say.

Only one state, New York, actively regulates the business, requiring surrogacy agency owners to undergo a background check, demonstrate they follow screening guidelines and provide surrogates a document explaining their legal rights.

Elsewhere, many agencies operate with only a business license and a sole proprietor or small staff. It isn't uncommon for them to run into legal or financial difficulties, shut down and then reopen under a different name, according to a review of business records.

One long-running agency, Angel Babies Surrogacy & Egg Donation, operated by a woman who has filed for personal bankruptcy four times and whose email address contains the phrase, "Babyoven4u," continued to manage surrogacies for nearly two years even after California's tax board revoked her business license in May 2019, according to an interview with agency owner Bridget Larzelere, court filings and state business records.

Larzelere said she hadn't been aware that her California business license had been revoked. Though she continued to manage existing clients' surrogacies, she said, including helping to care for 35 babies who were born during pandemic travel restrictions, she hadn't taken on new clients for years after the license was revoked. Since late 2020, she has lived and done business in Arizona, where, she said, she is filing for bankruptcy a fifth time.

In May, a Los Angeles couple, Silvia Zhang and Guojun Xuan, were briefly jailed on suspicion of child abuse after authorities found more than 20 children in their care, nearly all born through surrogacies arranged by an agency secretly run by Zhang, as reported by The Wall Street Journal. No charges have been filed, but local and federal law enforcement carried out child abuse and human trafficking investigations, and the county put the children into foster care.



Guojun Xuan and Silvia Zhang, pictured in their surrogacy profile.

Yet Zhang and Xuan sued two of their surrogates—who were pregnant at the time of the pair's arrest—in Virginia courts for $1 million each. Zhang and Xuan alleged the surrogates broke their contracts and denied them their parental rights.

Pam DeCamp, an attorney with a Virginia legal aid society representing one of the surrogates, Melissa Epps, denied that Epps breached the contract. She said in a statement that Zhang and Xuan "made multiple fraudulent representations that induced her to enter into a contract she would have never entered had she known the truth and Zhang and Xuan subsequently breached that contract in numerous ways."

Zhang and Xuan didn't respond to requests for comment. In court proceedings, they have denied abusing the children and said they expect a California court will rule in their favor on custody.

It's hard to say how many surrogacy agencies exist across the country, but there are at least 155, according to the membership rolls of one industry group, and as many as 1,100, according to market research performed by Richardson-Mook, the founder of the Alcea surrogacy agency.

Agencies typically receive $40,000-$50,000 per surrogacy, separate from payments to surrogates. They recruit online, including on Facebook and through a growing number of surrogates working as influencers on Instagram and TikTok.

Surrogates can earn $45,000-$80,000, paid in installments over the course of their pregnancies. In high-demand states like California, they receive more money, as do those who have had previous successful surrogacies and who are willing to take on higher-risk pregnancies, such as carrying twins.

To her 12,000 followers on TikTok, surrogate Darlene Arreola describes surrogacy as a way to "help complete a family and earn money to help your family" and recruits for California agency SurrogateFirst. SurrogateFirst pays a $1,000 bonus for referrals, according to its website; other agencies offer similar deals.

Demand for surrogates vastly exceeds supply, industry professionals say. Agencies compete over pay and benefits for surrogates who meet standards for age and weight, and requirements to have had at least one prior uncomplicated pregnancy. Some agencies' advertisements say surrogates can expect six figure-payouts—without disclosing that base pay is much lower, and that higher payments usually only take place in the event of major medical complications.

"Surrogates can earn $80,000-$100,000 while receiving full medical, legal, and emotional care throughout the journey," read an October Facebook advertisement for Yunda Surrogacy, a California agency co-founded by Chinese television producer Zhang Heng. Other ads cited a $70,000 payment.

But the company's website says that base compensation for surrogates actually starts at $50,000.

During the recruiting process, surrogates are often told that their motives should be not solely financial but also altruistic.

"At the end of the day, it's making sure that surrogates are doing this because they want to, not because they have to," said surrogate Gracie Ruiz, also a recruiter, in a September video to her more than 70,000 followers on Facebook.

In interviews, some surrogates said they felt the agencies rushed their screenings or did cursory reviews of their backgrounds.

Last year, an immigrant from Ecuador who had overstayed a tourist visa agreed to carry a couple's embryo in exchange for $65,000, according to a lawsuit she later filed against her agency, Genesis Egg Donor and Surrogacy Group, which she found through online advertisements.

At the time, she was on Medicaid, which she was eligible for in her state of California. Industry groups recommend that surrogates not receive public benefits to reduce the perception that they are financially needy and could be coerced into the transaction.

Page Tofighi, the CEO of Genesis, said, "Genesis respects everyone's personal circumstances, including decisions related to public benefits, and ensures that participation in surrogacy is always

voluntary and informed."

On the agency's instructions, according to court records, the surrogate canceled her Medicaid and began to prepare for the embryo transfer. Her first transfer date was postponed after a doctor said her uterus wasn't ready, but she started hormone therapy to try again.

Eight months after the woman signed her surrogacy contract and shortly after Donald Trump's January 2025 inauguration, Genesis launched a review of its non-U.S. citizen surrogates, according to the lawsuit. Two weeks before her rescheduled embryo transfer, Genesis dropped her as a surrogate, telling her it was because of her immigration status. Tofighi said the agency "conducts regular internal audits."

The surrogate had received some preliminary fees but not the bulk of the agreed-upon payment. She sued the agency for breaking her contract, saying the agency had known she lacked work authorization and never told her it was a problem. In its response to the lawsuit, Genesis denied her allegations. A trial is scheduled for 2027.

TAP TO UNMUTE

Surrogate Gracie Ruiz, also a recruiter, in a September video to her more than 70,000 followers on Facebook.

Genesis has a rigorous screening and oversight process and has a policy against working with surrogates who are not legal immigrants, Tofighi said. He added that Genesis is committed to ethical practice and transparency.

Genesis offered to refund the intended mother, Ann Gottesman, its $35,000 agency fee if she chose to break off the relationship with Genesis. Gottesman said she decided not to, saying Genesis appeared well run and that changing agencies could use more time and money. "We are using our life savings," Gottesman said. Genesis cut $5,000 off its fee and didn't charge to connect her and her husband with another surrogate.

Agencies often receive a substantial portion of their fees from parents after a surrogate has signed on to a match—not at the end of a successful pregnancy, according to a Journal review of 10

surrogacy agencies' cost sheets.

Private-equity investors

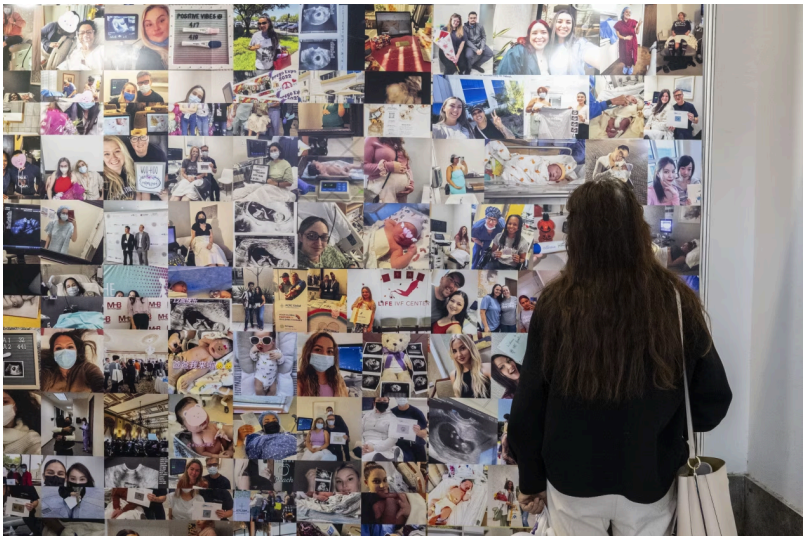
Rising infertility rates and the fragmented nature of the fertility industry have made it a ripe target for investment groups and private-equity firms, which have acquired clinics and agencies in an effort to create one-stop-shops for couples seeking to have a baby via surrogate.

Since 2022, Manhattan private-equity group Cortec has rolled up three leading surrogacy agencies into Northstar Fertility Partners. Venture-backed fertility giant Kindbody, with 27 locations nationwide, purchased a Chicago agency in 2022 for an undisclosed amount.

International investors have also gotten in on the action. In 2018, Jinxin Fertility Group, based in Sichuan and publicly traded in Hong Kong, purchased a chain of fertility clinics in Southern California whose doctors already had a substantial Chinese client base.

Simultaneously, the cost of surrogacy has risen. Parents can now expect to pay $200,000 per surrogacy, up from about $120,000 a decade ago, said Yifat Shaltiel, a surrogacy agency owner and author of a book on surrogacy financing. Other owners say the cost can be even higher.

In the process, U.S. surrogacy has become more international. The number of IVF cycles started for surrogates carrying for international parents quadrupled between 2014 and 2019, according to researchers at Emory University, before dipping amid the pandemic in 2020, the most recent year data is available. Chinese parents made up 41% of international parents in that period, the researchers found.



Photos at the booth of ACRC, a California surrogacy agency, at the Beijing Medical and Health Exhibition in October.
GILLES SABRIÉ FOR WSJ

Some U.S. surrogates encounter international parents who are unable or unwilling to travel to the U.S. for their child's birth and have their agents pick the baby up from the hospital, according to interviews with five surrogates.

On social media, accounts advertising Jinxin's surrogacy consultant, Mengmei Life, and chain of California IVF clinics, HRC Fertility, describe how case managers sometimes pick up babies for parents. One surrogate in Texas, one of the accounts wrote this month, was "just waiting for us to come and take the baby. Thank you to the surrogate mother for helping the client realize their dream of having a child!"

Dido Liu, one of the case managers, said in a brief interview that most of the newborns the company collected from hospitals were born during pandemic travel restrictions. She declined to comment further or confirm who operates the social-media accounts. "We're doing the right thing to support parents," she said.

Babycoming Inc., the company that picked up the newborn from Tennessee, said in an undated advertisement on a forum for Chinese speakers in Los Angeles that it had "repatriated nearly 100 surrogate babies." In an interview, owner Jian Gong said that number was an exaggeration and that she had actually helped pick up closer to 10 babies born through surrogacy in the U.S. The bulk of her business is consulting with Chinese parents who want to pursue IVF in the U.S., she said.

Mel Hazeltine signed on with Los Angeles Surrogacy in October 2023, agreed to carry a child for a Chinese-Canadian single father and delivered a healthy baby girl this March.

The next day, a woman Hazeltine had never met arrived at the hospital with a power of attorney letter and a nanny. The woman described herself as the father's agent, and told Hazeltine that the father had two other surrogate children, one a newborn and another on the way. She also said that the father lived in California, not Canada. None of that information had been disclosed to Hazeltine, she said. "I just feel like so much was concealed from me," she said.

Los Angeles Surrogacy didn't respond to requests for comment.

Worried about human trafficking, Hazeltine ultimately reached out to the FBI and said she was interviewed by an agent. Two other surrogates who said the babies they carried were picked up by strangers also spoke to federal law enforcement, though the status of those investigations is unclear.

Federal law-enforcement officials didn't respond to a request for comment.

A deteriorating relationship

Three surrogates interviewed by the Journal said they were left with medical debt at the end of their pregnancies.

Emily Hurst, a surrogate in Arkansas, was left with more than $7,000 in medical bills and ongoing dental problems after her surrogacy. The intense morning sickness she endured during the pregnancy had eroded the enamel on her teeth.



Emily Hurst, a surrogate in Arkansas, said she was left with more than $7,000 in medical bills.

"I have straight holes through my teeth," she said. For six months, the agency took no action on the medical bills even as she continued to receive calls from collectors, she said. One day after she posted about the debt in a popular surrogacy Facebook group, some of her bills were paid. The agency didn't respond to requests for comment.

Another surrogate, in Illinois, owes what she estimates is $75,000 in medical bills related to her pregnancy. She isn't sure of the total because the hospital continues to send her bills. She said her medical insurance was supposed to be covered by the intended father, but that he created a fake health insurance card and she wasn't actually insured.

Trent-Wilson, who lives in Texas, interviewed with several surrogacy agencies before settling on ACRC Global of California in late 2021. Within weeks, the agency matched her with St-Fleur, an attorney, and his partner Scott, a filmmaker.

Trent-Wilson assumed ACRC had done a thorough background check on the couple. They hadn't, according to the agency's court testimony in a lawsuit Trent-Wilson later filed against it. If they had, they might have seen that the couple had a decadeslong history of unpaid debts, according to judgments in lawsuits reviewed by the Journal.

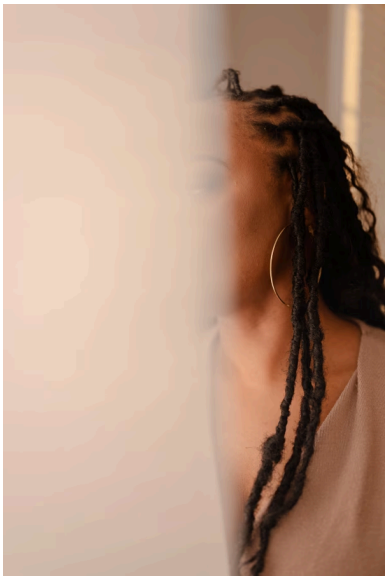
By early 2022, the couple had transferred $95,000 into a surrogacy escrow account, and an IVF clinic transferred two embryos supplied by Scott and St-Fleur into Trent-Wilson's uterus.

In court, ACRC's CEO, Shen Li, said the agency believed the couple's ability to place so much money at once into the escrow account was sufficient proof of their financial suitability. Filings in a separate 2024 suit showed that Scott had taken out a $60,000 loan several months prior to signing the surrogacy contract; he defaulted and owes $51,205.80, according to the lender, SoFi.

Only one of the two embryos took. The parents seemed to take the loss as a crushing blow, Trent-Wilson said. At the doctor's office, one of them called her a "baby killer," she said in an interview with the Journal. The relationship quickly broke down as the couple accused Trent-Wilson of refusing drug tests and concealing medical records, according to court records, documents and messages reviewed by the Journal.

They also stopped making payments to the escrow account that covered Trent-Wilson's expenses—including her health insurance premiums, according to the records.

Late in her third trimester, doctors diagnosed her with placenta accreta, a potentially life-threatening condition in which the placenta grows too far into the wall of the uterus. Doctors warned her they would likely remove her uterus during the delivery.





Trent-Wilson, left. She played UNO with family and friends at home.
LEXI PARRA FOR WSJ

A week before the delivery, the balance in the escrow account fell below the contractually mandated minimum of $10,000. ACRC assured Trent-Wilson that the parents would put more money into the account, the messages showed.

By the time she delivered, the escrow account was nearly empty. Trent-Wilson never saw another cent from the parents. Her insurance had also lapsed, because she said the parents didn't provide

enough funds to cover the premiums.

Scott and St-Fleur picked up the baby on the day of delivery.

Stuck with the bill

For months after her delivery, the bills kept coming. Trent-Wilson forwarded them to the escrow agency with no response. The parents also stopped responding.

In addition to the mounting bills, the parents hadn't paid Trent-Wilson $44,800 in fees laid out by her contract, including payments intended to compensate her for the C-section and the loss of her reproductive organs ($10,000 for her uterus and $5,000 for her fallopian tubes), according to court records. During her recovery, she had also lost her job transporting medical supplies and was out of work.

She dipped into her savings and her son's college fund and asked for donations on Spotfund and GoFundMe.

ACRC refused to help. "We have done everything we can and properly," the agency's CEO, Li, told Trent-Wilson, according to messages reviewed by the Journal.

Trent-Wilson filed a lawsuit against ACRC in Orange County, alleging that the agency breached its contract with her by matching her with unsuitable parents.

In early November, a judge ruled that the part of her contract that capped the agency's liability at $4,000 was unenforceable. He said the agreement drafted by the agency used the surrogate's body for a "profit venturing business" and that the risks Trent-Wilson took were out of proportion to those taken by the agency.

The judge ordered the agency to pay her $20,000. About half of that is going to her attorney, she said. ACRC is considering appealing the decision, according to correspondence from its attorney reviewed by the Journal.

In an email to the Journal, Li, ACRC's CEO, denied the allegations in the lawsuit.

Trent-Wilson is considering suing the parents, but given their numerous debts, she worries it will be hard to get them to pay. "I would like stricter guidelines," she said.

Write to Katherine Long at katherine.long@wsj.com

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