



CENTER FOR POLITICAL ACCOUNTABILITY

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As Companies Navigate Today's Incendiary Politics, New Index Finds Strong Growth in Their Political Disclosure

WASHINGTON -- In today's incendiary political climate and a year ahead of the contentious 2020 elections, more publicly held U.S. companies are adopting the strongest measures of transparency and accountability over their corporate spending to influence elections.

These trends emerge from the annual [CPA-Zicklin Index](#), a non-partisan scorecard released today by the [Center for Political Accountability \(CPA\)](#) and the [Zicklin Center for Business Ethics Research at The Wharton School at the University of Pennsylvania](#).

Three major findings stand out:

- **The largest year-to-year increase in Trendsetter – top scoring – companies. The number stands at 73, up from 57 last year;**
 - **A doubling in the number of companies with improved scores of 50 points or more, from eight last year to 16 this year; and,**
 - **60 companies had substantive conversations with CPA about adopting or strengthening political disclosure and accountability policies.**
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The Index finds companies continue to embrace sunlight at a time of scorched-earth political tactics reaching all the way to the White House and an impeachment inquiry under way in Congress. At a time of national instability, companies are being asked to take a stand on contentious policy issues as consumers, workers and shareholders watch closely.

Moreover, there is a high correlation between companies embracing sunlight and shareholders – who want to know how their investment dollars are spent – urging companies to enact transparency.

The importance of these trends at a time when corporations are debating their role in society and the marketplace is underscored by a foreword to the Index by Chief Justice Leo E. Strine Jr. of the Delaware Supreme Court, who is the nation’s top corporate law judge.

Strine asserts that since the U.S. Supreme Court’s *Citizens United* decision in 2010, “American corporations have helped generate a huge increase in political spending, tilting the playing field much more heavily in favor of the wealthiest interests, and against those of the middle class.” He also notes, “Companies themselves face heightened risks from the Wild West environment that now surrounds political spending.”

Additional highlights of the **9th annual CPA-Zicklin Index**, which examines S&P 500 companies, include the following:

MOST TRANSPARENT COMPANIES: The number of Trendsetter companies in the S&P 500 receiving scores of 90 percent or higher rose 28 percent in the past year and by 160 percent from 2015 (from 28), when the Index began evaluating the S&P 500. Trendsetter companies span a broad cross section of the U.S. economy. Four companies scored 100 percent.

IMPACT OF SHAREHOLDER ENGAGEMENT: Of 16 companies receiving the highest scoring increase since 2018 (of 50 points or higher), shareholders engaged 12. For the 21 companies whose scores increased by 40 points or more, shareholders engaged 15. For all five years that the Index has evaluated the S&P 500, there has been a strong positive correlation between shareholder engagement and a company’s Index score.

TOP TIERS FOR SUNLIGHT: There are more S&P 500 companies with disclosure and accountability policies and practices that scored in the first and second tiers (100 percent to 60 percent), a total of 229 compared to 197 in 2018. That number has increased by more than 30 percent since 2015.

IMPROVEMENT OVER TIME: Because of turnover in companies belonging to the S&P 500, 399 companies have remained constant members since 2015. The average overall score for these 399 companies has continued to improve, from 41.6 in 2015 to 53.3 this year.

In response to the Index's findings, CPA President Bruce Freed said, "The Index indicates that US public companies are acknowledging and taking solid steps to manage the heightened risks from political sending. We saw this in improved company scores and heard it in substantive conversations with 60 companies that contacted us. They're concerned about protecting themselves from today's inflamed political climate."

"The 2019 Index continues to chip away at unbridled corporate spending practices that now seem dated, risky, and out-of-touch," says William S. Laufer, Director of the Carol and Lawrence Zicklin Center at Wharton. "Competition over spending transparency and accountability incentivizes companies to adopt best practices, while encouraging firms to do good for the sake of goodness."

Data from the 2019 Index, which is based on a survey of information publicly available on company websites, will be added shortly to the [TrackYourCompany.org](https://www.trackyourcompany.org) database maintained by CPA.

Below are the names of companies at the top and bottom of the Index:

TRENDSETTER COMPANIES: Receiving a first-place rating of 100 percent for 2019 are Becton, Dickinson and Co.; Edwards Lifesciences Corp., HP Inc., and Northrop Grumman Corp. The other Trendsetters are AbbVie Inc.; AFLAC Inc.; Alexion Pharmaceuticals Inc.; Alphabet Inc.; Altria Group Inc.; Ameren Corp.; American International Group Inc.; Apache Corp.; AT&T; Bank of America Corp.; Bank of New York Mellon Corp.; Biogen Inc.; Boeing Co.; Bristol-Myers Squibb Co.; Capital One Financial Corp.; Celgene Corp.; Cisco Systems Inc.; Coca-Cola Co.; ConocoPhillips; Consolidated Edison Inc.; CSX Corp.; CVS Health Corp.; Dominion Energy Inc.; Edison International; Entergy Corp.; Estee Lauder Companies Inc.; Exelon Corp.; General Electric Co.; General Mills Inc.; Gilead Sciences Inc.; Hartford Financial Services Group Inc.; Honeywell International Inc.; Host Hotels & Resorts Inc.; Humana Inc.; Intel Corp.; International Paper Co.; Intuit Inc.; Johnson & Johnson; JPMorgan Chase & Co.; Kellogg Co.; Mastercard Inc.; McDonald's Corp.; McKesson Corp.; Merck & Co. Inc.; Microsoft Corp.; Mondelez International Inc.; Morgan Stanley; MSCI Inc.; Noble Energy Inc.; Norfolk Southern Corp.; Prudential Financial Inc.; Qualcomm Inc.; Regeneron Pharmaceuticals Inc.; Regions Financial Corp.; Salesforce.com Inc.; Sempra Energy; State Street Corp.; Tiffany & Co.; Tractor

Supply Co.; U.S. Bancorp; Union Pacific Corp.; United Parcel Service Inc.; United Technologies Corp.; UnitedHealth Group Inc.; Unum Group; Visa Inc.; Walgreens Boots Alliance Inc.; WellCare Health Plans, Inc.; and The Williams Companies Inc.

BASEMENT-DWELLERS AND BACKSLIDERS: The 2019 Index data show 59 companies from the S&P 500 residing solidly in the basement (with scores of zero). Six companies backslid with overall scores declining 10 points or more. They are Marriott International Inc., Baker Hughes Inc., Advanced Micro Devices Inc., Symantec Corp., Delta Air Lines Inc., and Johnson Controls International plc. Three companies that had reached disclosure agreements in the past failed to make any disclosure. They are Mattel Inc., Delta Air Lines Inc. and PulteGroup Inc.

CPA is a non-profit, non-partisan organization created in November 2003 to bring transparency and accountability to political spending. The **Zicklin Center for Business Ethics Research** at The Wharton School sponsors and disseminates leading edge research on critical topics in business ethics.

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