

## Corporations Turn Away from Political Spending

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By April Hall  
January 15, 2021

The list of companies “pausing” their political contributions in light of the Capitol Building attack last week continues to grow.

Currently the most drastic announcement has been from Charles Schwab Corporation. The brokerage said it is dismantling its political action committee (PAC) entirely.

“In light of a divided political climate and an increase in attacks on those participating in the political process, we believe a clear and apolitical position is in the best interest of our clients, employees, stockholders and the communities in which we operate,” according to a Schwab press release. Any remaining funds — which were donated by Schwab employees and directors — will be given to the Boys & Girls Club of America and historically Black colleges and universities.

Hallmark didn’t go so far as to close its HALLPAC, but did make a statement that the PAC has asked for refund from two Republican senators who opposed the electoral college tally in Congress last week. It was during that session that a mob forced their way into the Capitol Building.

“The recent actions of Senators Josh Hawley and Roger Marshall do not reflect our company’s values,” Hallmark said in a release. “As a result, HALLPAC requested Sens. Hawley and Marshall to return all HALLPAC campaign contributions.” The PAC contributed a total of \$12,000 to the two politicians.

A number of defense contractors including Lockheed Martin, Northrop Grumman, Raytheon, Boeing, BAE Systems and Leidos also suspended their political spending, according to the *Defense News Brief*.

Most companies that are taking a stand against the political division and violence are either eliminating funding to specific legislators who blocked the presidential election results like Hawley and Marshall or calling for a pause in all contributions while they reevaluate their programs.

A pause sounds temporary, says Bruce Freed, president of the Center for Political Accountability.

“I’m waiting to see what happens in late fall, what happens next year,” Freed says. “That’s when [corporations] will start to be pressured.”

Decisions on political spending are a risk factor for directors, he says, and boards should ask that management look deeply into how and where PAC or 527 groups contributions go. (A 527 is a nonprofit organization formed under Section 527 of the Internal Revenue Code, which grants tax-exempt status to political committees at the national, state and local level). Without following the money to the end, corporations could inadvertently fund causes they don’t actually favor.

Freed says he's been encouraged by requests from several corporations for the nonprofit's "[Model Code of Conduct](#)" to guide their future contributions. The center has republished the code of conduct with a preamble to set context for the guidelines and their application.

Here are the some of the largest companies and trade groups that suspended *all* political donations, according to a list compiled by *Bloomberg*. How long they will pause ranges from 30 days to indefinitely.

3M	American Airlines Group	Archer-Daniels-Midland
Blackrock	Boeing	BP
Cargill	Cboe Global Markets	Cheniere Energy
Citigroup	CME Group	Coca-Cola
ConocoPhillips	Duke Energy	Facebook
First Energy	Ford Motor	Freeport-McMoran
General Motors	Gilead Sciences	Hilton
Intercontinental Exchange	JBS USA	JP Morgan Chase
Kroger	Major League Baseball	Marathon Petroleum
McDonald's	Microsoft	Morgan Stanley
PepsiCo	Smithfield Foods	Squire Patton Boggs
Tyson Foods	United Parcel Service	Valero Energy
American Investment Council	Investment Company Insitute	Managed Funds Associations
Loan Syndications and Trading Association		