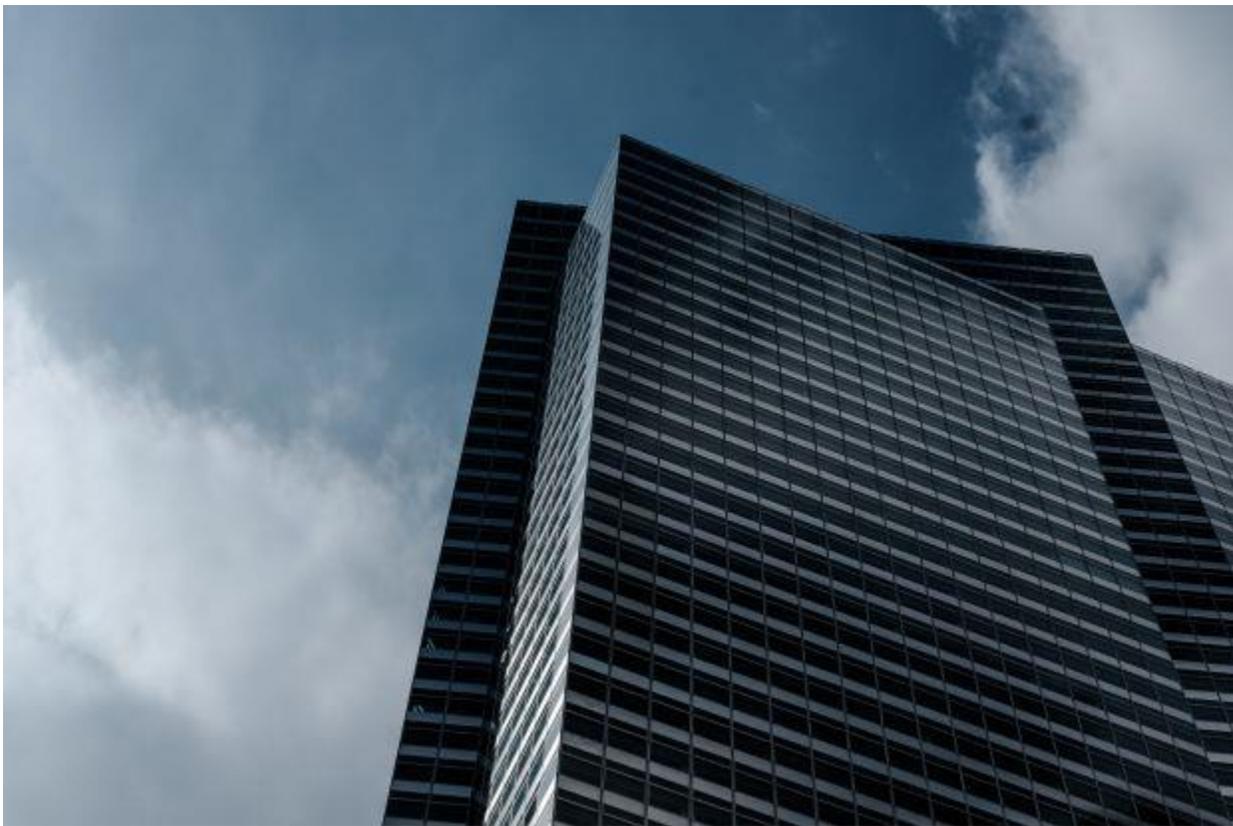


Companies Curb Their Political Spending

Report shows more firms either reducing political activity or increasing disclosure of it

<https://www.wsj.com/articles/companies-curb-their-political-spending-1538472601?mod=searchresults&page=1&pos=1>



Goldman Sachs is among the 10 companies in the S&P 500 that avoided all forms of corporate political spending. PHOTO: CHRISTOPHER LEE/BLOOMBERG NEWS

By

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The biggest publicly traded companies are increasingly limiting their spending on elections and other political activity, a new report has found.

The report is the fourth annual analysis of political-spending policies at S&P 500 companies from the Center for Political Accountability, a [nonprofit organization](#) in Washington, D.C., that advocates better disclosure of corporate political activity.

Among the 414 companies that have remained in the S&P 500 since 2015, increasing numbers are either prohibiting or [fully disclosing direct contributions](#) to candidates, and contributions for election-related use to trade associations, so-called 527 groups and other nonprofits.

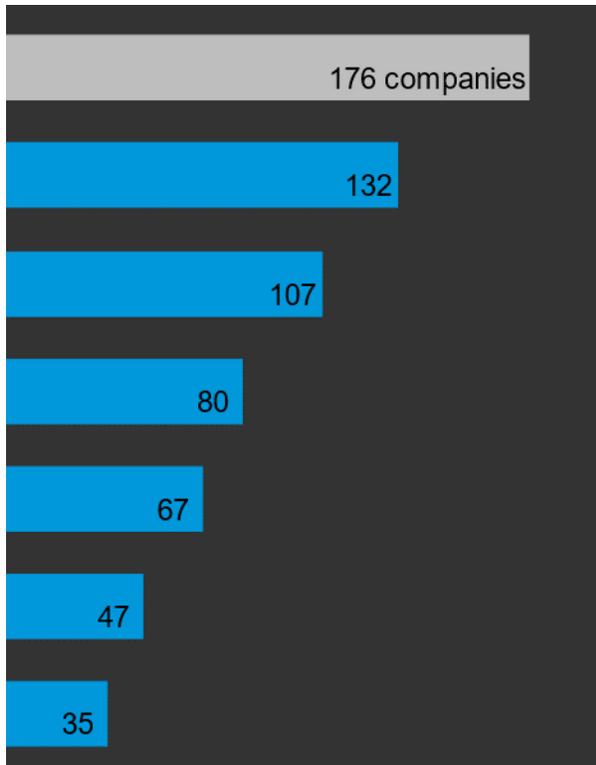
About 36% of the S&P 500, or 176 companies, have said they won't engage in at least one form of spending on political activity, up from 32% a year ago and a quarter in 2015, the report found.

Some 132 said they forego so-called independent expenditures, such as when companies fund ads or events supporting or opposing a candidate or party. That is up 10% over last year, and almost 60% from 2015. (Such spending can't be coordinated with candidates or parties.)

Contributions to state candidates and party committees are prohibited at 107 companies, while 80 bar contributions to so-called 527 political organizations. Just 35 companies prohibit contributions to trade associations for influencing elections.

Ten companies in the index reported engaging in no corporate political spending, including [Goldman Sachs Group](#) Inc., [International Business Machines](#) Corp. and [Schlumberger](#) Ltd.

A Schlumberger spokesman declined to comment late Monday. A spokesman for IBM declined to comment beyond confirming the company's policy. A Goldman Sachs spokesman declined to comment. A January 2018 statement on Goldman's political and policy activity notes that it asks trade associations not to use its contributions to influence elections.



Review and Consent: How 414 major companies manage corporate political spending. Source: Center for Political Accountability* Direct spending and contributions. ** Trade-association and nonprofit political spending.

More companies are also requiring senior managers or a committee of the company's board to review or approve various kinds of political spending, the report found.

Some of the group's benchmarks for disclosure of political spending have slipped, however. The number of all S&P 500 companies with a webpage dedicated to political spending fell to 259, from 268 a year earlier.

Much of that reflects turnover among companies joining the index, said Bruce Freed, the center's president. Among the 414 companies in the index since 2015, disclosure has also increased steadily.

In general, the analysis found, larger companies and companies in the index longer were more likely to score higher on disclosure measures. Utility, energy, health-care and consumer-staples companies also tended to score higher, while technology, industrial and consumer-discretionary companies trailed. Real-estate companies scored worst, on average.

The report doesn't consider lobbying expenditures, or spending by corporate political-action committees, or PACs, which are funded by employee contributions.

The center is funded by foundations and individuals and doesn't receive contributions from companies or unions, Mr. Freed said. It works with investors that can propose proxy measures directing companies to disclose or limit spending. In many cases, the companies agree to improve disclosure if the proxy proposal is dropped.

This year, the center took six companies to task for no longer complying with such agreements made in the past, and called out 14 companies for "backsliding," or scoring substantially worse on its measures this year than previously.

The group said [CSX Corp.](#) failed to post a report on 2017 political spending, despite a 2012 agreement with the New York State Common Retirement Fund to make disclosures.

A CSX spokeswoman said the company inadvertently failed to post its full report, and it did so on Monday morning. "CSX is fully committed to the disclosure of all political spending," the spokeswoman said in an email.

The group said [Lowe's Co s.](#) had omitted from a corporate report a previous statement that it doesn't contribute to candidates or political campaigns, or to various nonprofit groups for political purposes. In 2013, the company entered into an agreement with the New York City Employees' Retirement System to disclose political spending.

A Lowe's spokesman said the company still doesn't contribute to political campaigns or candidates, or to nonprofit groups for political purposes, and that it published a streamlined version of its report for 2017.