



## Companies were already wary of 2024 politics. Trump's verdict could solidify that caution.

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Businesses are becoming more wary of politics this year even as some of their billionaire bosses become more vocal.

Donald Trump's [conviction for falsifying business records](#) could deepen that divide.

Consider how the 2024 election is playing out inside the companies run by Elon Musk.

The [billionaire](#) weighed in with over 20 social media posts in the hours after Trump's verdict, with the Tesla ([TSLA](#)) CEO by turns calling the decision politically motivated and accusing the prosecutors of ignoring more serious crime elsewhere in New York.

"If a former President can be criminally convicted over such a trivial matter — motivated by politics, rather than justice — then anyone is at risk of a similar fate," he [wrote in one post](#).

But a review of Musk's companies — from [Tesla](#) to [SpaceX](#) to tunneling startup [Boring Company](#) to [X's own corporate account](#) — found they all appear to have ignored the topic completely.

And the money doesn't appear to be flowing from Musk's companies, either. Political action committees, or PACs, are traditionally the main way for a corporation to engage financially in politics, and Tesla's political arm hasn't donated to anyone since 2018, according to [the campaign finance trackers at OpenSecrets](#).

Likewise for Twitter, now called X. The last recorded PAC donation there [was also in the 2018 election cycle](#), long before Musk acquired the company.

Musk previously said he [wouldn't contribute to either candidate in 2024](#), and this past week he also [denied reports](#) he was having conversations with Trump about a role in the administration if Trump wins.

## **'There are real risks'**

Musk's situation has many echoes across corporate America.

While large companies are still a major source of political donations, there is evidence that more and more are trying to sidestep any blowback associated with their campaign spending.

One measure of corporate political engagement is [maintained by the Center for Political Accountability \(CPA\)](#). Its measure shows more companies shying away from political donations or deciding to say more about why they finance certain candidates.

Of the 345 companies that have been on the S&P 500 since 2015, 270 of them now prohibit or fully disclose spending on candidates or their committees. That's up from 168 a few years prior, according to CPA's analysis.

That is a reflection, CPA president Bruce Freed said, of corporations concluding that when it comes to open political engagement "there are real risks with that," both from employees and outside observers.

Freed, who is also the group's co-founder, added in an interview before Thursday's verdict that billionaires are less reticent about weighing in as they "may be looking at politics in the world differently."

In the aftermath of Trump's conviction Thursday, a series of [Trump-friendly billionaires weighed in](#) with their support. In addition to Musk, investor David Sacks and Pershing Square Capital CEO Bill Ackman offered their political takes online.

### **'Serious money that has serious impact'**

The hands-off approach from company boardrooms began long before Trump's conviction, following years of increasing public scrutiny of where companies put their money.

Perhaps most notable in recent history are the repeated public dings that companies got for donating to the 147 members of Congress who tried to overturn the 2020 election.

Perhaps no company [has been more closely watched](#) on that front than Toyota ([TM](#)), which gave generously to those lawmakers and faced pressure and even [an advertising campaign](#) in response.

So far in 2024 — [according to OpenSecrets](#) — Toyota has given a total of \$0 to candidates from its PAC.

Close observers still expect corporations to remain a powerful force in the 2024 race even if they seek to avoid overt controversy.

Freed notes that companies have other means to donate money that are less public and harder to track. One avenue is focusing on state races [by using little-known "527" committees](#) that allow unlimited contributions to candidates running for state or local offices.

"The contributions to super PACs, 527s come out of the [company's] Treasury funds, and so there are no limits," Freed notes, adding that his group's research has found that this spending can nevertheless impact an array of high-profile issues and is "serious money that has serious impact."

But overall, the waxing and waning influence of companies and billionaires will be one part of a heated election season that could contribute to economic turmoil in the months ahead.

As 22V senior managing director and head of Washington policy research Kim Wallace [put it in a Yahoo Finance interview](#) on Friday, "It's going to be a very loud summer."

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