



Zicklin Center
for Governance and Business Ethics
ESG Initiative



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New Survey: Overwhelming Shareholder Support for Companies to Follow Code of Conduct for Political Spending

Only three months before Election Day, a [national survey of 800 shareholders](#) shows a broad consensus wanting a code of conduct for corporate political spending.

Eighty-seven percent of respondents said they believe publicly traded companies should be required to have a code of conduct to for assessing and governing their political spending, and 79 percent said they have more confidence investing in corporations that adopt or follow a code of conduct, according to the survey by Mason-Dixon Polling & Strategy, Inc. of Jacksonville, Florida.

The survey was commissioned by the Zicklin Center for Governance and Business Ethics at the Wharton School of the University of Pennsylvania and the Center for Political Accountability. It was designed by Mason-Dixon Polling and conducted from July 22 through August 2.

The Zicklin Center and CPA have proposed a [Model Code of Conduct for Corporate Political Spending](#) with 12 provisions to help companies manage the risks associated with election-related spending and it is under consideration by a number of leading corporations.

“On the eve of the most important national elections of our time, we are a nation divided. But not with the importance of corporate political accountability,” said William S. Laufer, Co-Director of the Zicklin Center and a professor at The Wharton School. “The just-released Zicklin-CPA Shareholder Survey reveals remarkable agreement over public disclosure of corporate political contributions, board-level oversight over these contributions, and the importance of effective self-regulation of the many risks of political contributions by adopting a relevant corporate code.

“It is inspiring to see significant investor sentiment that corporations should consider the impact of political spending on society, writ large,” Laufer added. “Inspiring because it is challenging to find issues touching the private and public sectors that reveal such a strong convergence of support.”

“Public companies, please listen to your shareholders, build greater trust, and take steps to mitigate risk in today’s explosive political climate!” said Bruce F. Freed, CPA President. “The results are in. There now is overwhelming and documented shareholder support for companies to follow or adopt a common-sense framework for guiding their political expenditures.”

Brad Coker, CEO and Managing Director of Mason-Dixon, said about the survey findings:

“A significant majority of Americans who are invested in the stock market support reform efforts that would require increased transparency and accountability related to the political spending of publicly traded corporations.

“Nationwide, 87% believe that public corporations should be required to have a code of conduct to assess and govern their political spending. Similarly, 91% want procedures adopted that would ensure that corporate political contributions are lawfully spent and are consistent with public policies that benefit the company in which they are financially invested.

“Stockholders also feel that a code of conduct would improve a company’s political spending decisions (67%) and give them more confidence in their investment (79%). They also believe corporations need to consider the impact of their political spending on broader society (77%).” For more of Coker’s analysis, [click here](#).

[A report this year](#) from The Conference Board, the nation’s leading business research organization, stated, “Companies can consider adopting a framework for governing and assessing their political spending, which can provide a clear process and criteria to justify their decisions. The risks associated with political spending, particularly through third-party groups highlight the need for companies to maintain control and transparency over where their money is directed. Indeed, controversial political contributions can lead to significant public backlash and negatively impact the company’s reputation. As a start, companies may want to take a look at the CPA-Zicklin Model Code of Conduct for Corporate Political Spending, which provides a helpful framework.”

[Full analysis of Survey Findings](#)