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Exclusive: More boards are following the money

[Omicron Is Hitting Markets Less Hard Than Other Covid Variants - The New York Times \(nytimes.com\)](https://www.nytimes.com/2021/11/29/business/omnicron-markets-covid-variants.html)

Directors at public companies are paying closer attention than ever to political spending, according to a new report shared exclusively with DealBook. Each year, the Center for Political Accountability and the Wharton School's Zicklin Center for Business Ethics [ranks S&P 500 companies](#) by the disclosure and accountability policies that govern their political spending. This year, the average S&P 500 company's score on political disclosure and accountability rose to 54 percent, up from 50 percent last year.

Companies are “lifting the veil” on their political spending, the report said, responding to a greater awareness of corporate America's political influence. This past proxy season, shareholder resolutions seeking greater disclosure on spending passed at a higher rate than ever. And companies were called out for channeling money to lawmakers and organizations that challenged the 2020 presidential election result.

Boards are more aware of the consequences of political spending. Greater oversight at the director level shows that S&P 500 companies recognize the importance of these decisions:

- General board oversight of political spending is now in place at 295 companies, up around 14 percent from 2020.
- Board committee review of direct political spending is the policy at 255 companies, up more than 12 percent.
- Board committee review of payments to trade associations and other tax-exempt groups rose to 228, up almost 15 percent.

Aligning rhetoric and spending is the next step. To top the index, companies must have a process to avoid supporting causes that undermine their stated principles. Only one — Intel — “has distinguished itself by making public a policy to explicitly steer clear of conflict or misalignment between its core values and its political donations,” according to the report. Intel stopped donating to members of Congress who voted against certifying the 2020 presidential election, and now reviews lawmakers’ public statements, in addition to their voting records, for alignment with its corporate values.

Cash is flowing freely into the 2022 elections, testing these policies. House members have raised \$128 million, [more than double](#) the sum at this point in the cycle two years ago. Bruce Freed, president of the Center for Political Accountability, told DealBook that demanding greater transparency of how and why these donations are approved is the best way to sharpen the focus on the consequences on corporate political spending.