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## Disclosure of corporate political donations delayed

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March 14, 2022

When Congress approved a [\\$1.5 trillion budget deal](#) last week, it averted a government shutdown but didn't address an issue that Democrats had vowed to fix.

Since 2015, a budget rider has prohibited the S.E.C. from requiring companies to disclose details about their political spending. This constraint was highlighted after the Jan. 6 riot in the Capitol prompted a public reckoning about corporate donations, but it remains in place. That leaves the push for transparency on corporate political spending to investors and proxy proposals.

**Activists see “continued momentum” on corporate political disclosure because of employee pressure**, said Bruce Freed of the Center for Political Accountability, noting Disney workers' push for the [company to oppose](#) Florida's “Don't Say Gay” bill. Last year, more boards agreed to political spending resolutions, and more proxy proposals on these issues passed by vote than ever. Freed's group is now working with 22 companies on similar resolutions. But [“private ordering”](#) of disclosure on a company-by-company basis won't suffice, some say.

**“Standardized disclosure evens the playing field,”** the S.E.C. commissioner Allison Herren Lee told DealBook. While shareholder proposals help increase transparency around political spending and other environmental, social and governance (E.S.G.) issues, she said that relying on private actors resulted in “spotty disclosure and may advantage larger investors.” Standardizing what companies report “lets investors put the whole picture together, getting consistent and comparable information across the market,” she said.

**Company reports would highlight contradictions between rhetoric and spending.** Companies can make political donations that conflict with their public stances, which undermines their stated E.S.G. agenda and may even materially mislead investors. “Shareholders and the investing public understandably want to know whether their money is being spent to serve their interests or those of the executives who direct it,” Lee said. As acting S.E.C. chair last year, she [made E.S.G. disclosures a priority](#). The agency’s current chair, Gary Gensler, has also called for more disclosure on political giving, but Congress has limited what he can do about it.