

Washington Watch

Lindsey Graham's corporate donors find themselves linked to his controversial abortion bill. Why 'everyone's playing gotcha with political spending.'

[Lindsey Graham's abortion bill: Companies calculate risk of political donations - MarketWatch](#)

Published: Oct. 13, 2022 at 10:30 a.m. ET

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'I can't think of a more uncomfortable time for someone to be in the role of a senior executive trying to deal with these issues than right now'

Just hours after Sen. Lindsey Graham introduced a bill that would ban most abortions nationwide after 15 weeks, left-leaning watchdogs started blasting companies for their donations to the South Carolina Republican.

Citizens for Responsibility and Ethics in Washington (CREW) criticized donations to him by AT&T [T, +2.59%](#) and Facebook parent Meta Platforms [META, +2.02%](#). Meanwhile, [Popular Information highlighted](#) about 40 companies that have donated to Graham or other U.S. lawmakers who have sponsored abortion bans. (The MarketWatch chart in this story focuses on just donors to Graham, but shows many of the same companies.)

"AT&T and Meta (Facebook) were among the companies that announced they'd provide some travel reimbursement or benefits to employees who could no longer access abortion near their homes. But both companies' PACs have given to Senator Graham over the last year," [CREW said in a tweet](#) last month.

Representatives for AT&T, Meta and Graham didn't respond to MarketWatch's requests for comment, but AT&T [told Insider](#) earlier this year that it's "inaccurate to assert that a contribution to an elected official equates to support of the entirety of their policy positions."

“We have never advocated for laws affecting abortion rights, and our employee PACs have never based contribution decisions on a legislator’s position on abortion,” a spokeswoman for the telecom also said.

Experts view that episode last month as another indication of why corporate America today needs to take greater care with any political giving to either party.

[Graham’s bill](#), which would prohibit abortion nationwide after 15 weeks with exceptions for rape, incest or risks to the physical health of the mother, isn’t expected to pass in the U.S. Senate, even if Republicans take control of that chamber of Congress after next month’s [midterm elections](#).

Senate Minority Leader Mitch McConnell, the Kentucky Republican, has distanced himself from the bill, saying most GOP senators “prefer that this be dealt with at the state level.” The measure, [announced Sept. 13](#), came after the [Supreme Court’s June decision](#) that overturned Roe v. Wade, the landmark 1973 case that established a constitutional right to abortion.

Democrats have seized on the proposal as a talking point for their midterm campaigns. President Joe Biden said during a [White House event](#) earlier this month that “congressional Republicans are doubling down on the extreme position with the proposal for a national ban.”

The Center for Political Accountability, a nonprofit that [pushes for better transparency around corporate election-related spending](#), offers a framework for companies to use when deciding on such outlays. The tenets of the “[CPA-Zicklin Model Code of Conduct](#)” include that political spending shall reflect the company’s interests, contributions will go to a candidate directly, expenditures must receive prior written approval from the appropriate corporate officer and the company will disclose political spending.

“Companies need to look much more broadly – much more deeply and three-dimensionally – at what their political spending associates them with and what it enables,” said Bruce Freed, the center’s president.

Freed believes that attitudes toward corporate political outlays have changed from how they were in previous decades.

“You really have passed the point where you have politics as usual in your giving,” he told MarketWatch. “The consequences today are so serious. It’s not like previously, where companies would give to be able to get access. Now there is a very high cost to that access, because of what the companies are associated with. You have the media, investors, employees and consumers paying close attention to the consequences, and what a company’s political spending enables.”

The Center for Political Accountability has sharply expanded its annual ratings of companies’ policies for disclosing and managing political outlays, with [this year’s report](#) tracking the Russell 1000 RUI companies, rather than just the S&P 500 SPX.

Read more: [There’s another reason companies should tread carefully with political influence – the stock market is watching](#)

Rhia Ventures is among the progressive groups that have led [shareholder proposals](#) targeting companies over their political moves, and conservative groups are also getting in on that type of work.

“We’ve submitted proposals to a number of companies where we are pointing out that there is misalignment between their stated values and their lived organizational values and where their political donations are ending up,” said Shelley Alpern, Rhia’s director of corporate engagement. “The proposal itself asks for the companies to review political spending in the last year and explain how the company handles misalignment.”

The issues that Rhia has focused on include abortion rights, climate change, LGBTQ rights and voting rights.

“Our message to companies is if you want zero political risks, then don’t do political donations,” Alpern said. “But if you’re going to do them, you have to own them. You have to have criteria, so that you can withstand the criticism ... because stakeholders – investors, consumer groups, the media – everybody’s playing gotcha with political spending.”

One conservative involved in [shareholder proposals](#) also makes the case for caution by corporate America.

“Companies, by and large, ought to just stay out of contentious political and social issues, because they’ve got shareholders on both sides; they’ve got employees on both sides,” said Scott Shepard, the director of the National Center for Public Policy Research’s Free Enterprise Center, which bills itself as a conservative shareholder activism program.

“They’re alienating customers in the general public and potential customers by taking any side. We’ve got democratic institutions, republican forms of government in order to respond to those political and partisan issues.”

Only about 10% of shareholder proposals come from conservative groups, Shepard estimates. “The left-wing proposals always want to force companies to take left-wing social and political positions,” he said.

“Our goal is not to force companies to take right-wing political and social positions, but just to get them back to neutral – get them back to flying us around the country and serving us fizzy drinks and all of the other things that corporations genuinely can and ought [to] do under fiduciary duty,” he said.

Shepard’s comment pushes against the increasingly prevalent view that companies shouldn’t just focus on profits, but also speak up on some social issues.

“This is the 21st century. We’re not living under Milton Friedman’s philosophy that a company is just there to make money,” said Paul Argenti, a professor of corporate communication at the Tuck School of Business at Dartmouth and an expert on corporate social responsibility.

“Every industry is going to have someone who finally has figured out that we need to be smart about these issues,” he added. Those industry leaders “realize that being in line with what most people would agree makes sense for society ... is probably the path that you want to go down.”

At the same time, Argenti emphasizes that companies are having a hard time with today’s political climate.

"I can't think of a more uncomfortable time for someone to be in the role of a senior executive trying to deal with these issues than right now — except two years from now, when it's going to be even worse," he told MarketWatch, referring to the fact that the public square could get even more tumultuous during the 2024 presidential campaign.

"Whether it's the state of Texas [pressuring companies](#) that are for gun control, or the state of California going against companies that aren't moving fast enough on climate change," Argenti said, "this is just going to keep getting worse and worse. And I think the problem for companies is they do not have a way of rectifying this. They don't have a formula. They don't have a strategy."

To that end, the professor has proposed a three-step framework for companies to use in evaluating whether or not they should take a stand on a social issue. In a 2020 [Harvard Business Review article](#), he wrote that execs should consider whether the issue aligns with their company's strategy, decide if they can meaningfully influence the issue, and think about whether stakeholders will agree with the company speaking out.

"If you don't like my framework, fine — pick another one," Argenti said. But he said ultimately companies must ask themselves: "Do we have a way of deciding when we dive in and when we don't?"

Companies and trade groups with PACs that donated to Sen. Lindsey Graham, 2017-2022

| Organization | Amount donated |
|---------------------------|-----------------------|
| Nelson, Mullins et al | \$40,000 |
| Comcast Corp | \$40,000 |
| CSX Corp | \$40,000 |
| Microsoft Corp | \$37,500 |
| General Dynamics | \$35,000 |
| Altria Group | \$35,000 |
| Charter Communications | \$35,000 |
| American Dental Assn | \$35,000 |
| Union Pacific Corp | \$35,000 |
| Berkshire Hathaway | \$34,500 |
| Pinnacle West Capital | \$32,500 |
| Norfolk Southern | \$32,500 |
| National Assn of Realtors | \$32,500 |

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|-------------------------------|----------|
| AT&T Inc | \$31,500 |
| Northrop Grumman | \$31,500 |
| Boeing Co | \$30,000 |
| National Assn of Broadcasters | \$30,000 |
| Parsons Corp | \$30,000 |
| American Hotel & Lodging Assn | \$30,000 |
| Southern Co | \$28,000 |
| Blue Cross/Blue Shield | \$27,500 |
| MacAndrews & Forbes | \$27,500 |
| Honeywell International | \$25,000 |
| BAE Systems | \$25,000 |
| Dominion Energy | \$25,000 |
| Capital Group Companies | \$24,000 |
| United Parcel Service | \$24,000 |
| FedEx Corp | \$23,500 |
| General Electric | \$23,500 |
| Deloitte LLP | \$22,000 |
| Lockheed Martin | \$20,000 |
| Home Depot | \$20,000 |
| Fox Corp | \$20,000 |
| International Paper | \$20,000 |
| Fluor Corp | \$17,500 |
| Verizon Communications | \$17,500 |
| Raytheon Technologies | \$15,000 |
| Duke Energy | \$15,000 |

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|--------------------------------------|----------|
| Walt Disney Co | \$15,000 |
| Walmart Inc | \$14,500 |
| L3Harris Technologies | \$14,000 |
| General Motors | \$13,500 |
| Exelon Corp | \$11,000 |
| Delta Air Lines | \$10,000 |
| Nucor Corp | \$10,000 |
| Publix Super Markets | \$10,000 |
| PricewaterhouseCoopers | \$10,000 |
| General Atomics | \$10,000 |
| Land O'Lakes | \$8,500 |
| Akin, Gump et al | \$8,000 |
| Brownstein, Hyatt et al | \$7,500 |
| News Corp (publisher of MarketWatch) | \$7,000 |
| JPMorgan Chase & Co | \$6,000 |
| Amazon.com | \$6,000 |
| Truist Financial | \$5,000 |
| State Farm Insurance | \$3,000 |
| Carlyle Group | \$3,000 |
| Oracle Corp | \$2,500 |
| McDonald's Corp | \$2,500 |
| Wells Fargo | \$1,000 |
| NextEra Energy | \$1,000 |
| DCI Group | \$1,000 |

Source: [OpenSecrets analysis of donations](#) to Graham's campaign committee or leadership PAC