

Corporate Political Responsibility:

Maintaining an Ethical
Compass in Turbulent Times



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Overview

Companies and their leadership are at a crossroads: how to constructively engage in the political process and manage political spending. Confronted with challenges and risks never faced before, their previous political spending and engagement strategies, designed for a period of predictability under stable democratic institutions, no longer advance or protect corporate interests.

These turbulent times are defined by intimidation, threats, coercion, capitulation, corruption, executive overreach, culture-war governance, and systemic instability. Companies have to adapt to a more transactional and unpredictable political landscape in a changing partisan realignment. Traditional political spending practices expose companies to legal, regulatory, reputational, bottom line, ethical and democratic risks.

This report frames a conference co-sponsored by New York University's Stern School and Law School, The Wharton School's Zicklin Center for Governance and Business Ethics and the Center for Political Accountability, and gives companies a compass for navigating the new environment. It will examine:

- today's challenges and risks,
- the foundation that can successfully address those risks, and
- the next steps in creating an ethical compass that will strengthen not only themselves but also the broader environment.

This report reframes corporate political accountability and responsibility. It examines how decades of corporate spending have reshaped the political and policy landscape, empowering actors and governance practices that now challenge the core of the democratic process.

It looks ahead at how political disclosure and accountability can reshape political spending. And it advocates a further step -- following a broader framework for managing political spending and engagement that includes democracy, societal, and ethical considerations as key pillars of their policies.

Key Findings

- **Cumulative political spending creates risk:** Long-term spending has enabled elected officials who create regulatory volatility, engage in retaliation, and weaken institutional checks. Even some well-connected companies can become targets.
- **New risk categories:** “Pay to Play”, retaliation, regulatory whiplash, reputational and structural risks, and broader corruption are now structural features of political spending.
- **Limits of traditional strategies:** Short-term access, transactional contributions, and trade association activity no longer ensure adequate protection; political spending via third-party groups and undisclosed channels increases exposure to outcomes companies cannot control.
- **Stakeholder expectations:** Employees, investors, and consumers are increasingly aware of, and are reacting to, misaligned political activity, heightening reputational and operational risk.
- **Governance imperatives:** Boards should integrate ethics, corporate values, and political-system instability into risk oversight and due diligence, monitor third-party spending, anticipate illiberal dynamics, and align political spending with long-term strategy and societal impact.

It may be a mistake to see corporate political spending as a neutral instrument of influence. It poses major risks. Companies should agree to a framework that is values-driven, transparent, and takes a long-term approach to protect operations, profits, reputation and a healthy society that underpins a healthy business environment.

Why Corporate Political Spending Must Be Addressed

Scope, Scale, and Structure of Corporate Political Influence

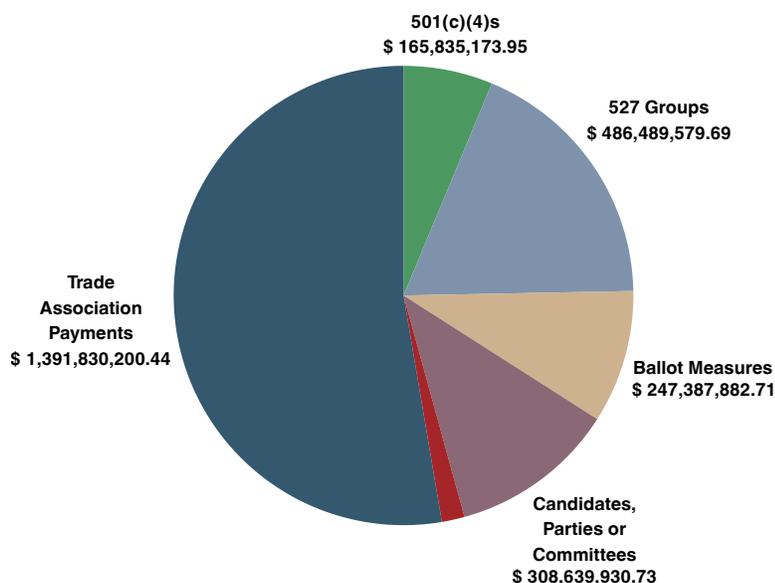
Over the past fifteen years, corporations have contributed tens of billions of dollars in political spending across federal, state, and third-party channels. This influence has not only flowed through direct contributions to candidates or parties, but also through a complex and opaque network of intermediaries that distances companies from the political outcomes their money ultimately enables.

The opacity of this network makes estimating corporate political spending challenging, but it runs into the billions of dollars. Much of this activity flows through weakly disclosed channels, including trade associations, partisan state-focused 527 committees, Super PACs, and politically active nonprofits, which are organized under Section of 501(c)(4) of the Internal Revenue Code. As a result, reported totals systematically understate both the scale and concentration of corporate political spending. However, an investigation of corporate disclosures and targeted case studies provides a clearer picture of both the magnitude and risk associated with these types of spending.

Scope

Since 2015, the Center for Political Accountability has tracked companies' self-reported political contributions and spending through its [Track Your Company](#) database. In federal and state elections, through payments to trade associations, partisan state-focused 527 committees and politically active nonprofits, public companies have reported more than \$2.5 billion in political spending. This figure represents a floor, not a ceiling. It captures only what companies voluntarily disclose and excludes substantial activity routed through obscured intermediaries.

CPA documents companies' self-disclosure of political spending 2015-2022



Importantly, disclosure itself has expanded even as political risk has intensified.

The CPA-Zicklin Index designates the most transparent companies as Trendsetters (a score of 90 or more out of 100). Those in the S&P 500 quadrupled from 28 in 2015 to 112 in 2025. Trendsetter companies have the broadest disclosure, accountability and board oversight of their corporate political spending with corporate funds. This reflects heightened company recognition that political spending requires governance, risk management and transparency.

In 2026, a growing group of leading companies is taking the next step by committing to follow the [CPA-Zicklin Framework for Corporate Political Spending](#). These companies are moving beyond disclosure to implement robust accountability policies, board oversight, and ethical guardrails designed for today's high-risk political environment. This evolution is driven less by changes in risk than by recognition of the need to take a broader view of political spending and engagement and its impact, as well as their responsibilities as good corporate citizens. In doing so, they are advancing a form of private ordering—using voluntary corporate governance standards, shareholder engagement and reaching a critical mass of companies acting on their own to establish norms of transparency and accountability in the absence of federal action.

Scale

One of the clearest windows into the risks incurred by corporate political spending comes from a more focused case study: corporate and trade association funding of the six major partisan 527 organizations dedicated to state-level races.^[1]

- In the **2010 election cycle**, combined corporate and corporate-funded trade association contributions to these 527s totaled approximately **\$62 million**.
- By the **2024 cycle**, that figure had more than tripled to nearly **\$200 million**, reflecting a dramatic increase in both reliance on and concentration of corporate political funding.
- Public companies and their trade associations are **the dominant funders of these groups**, donating more than \$1.1 billion, or more than 41 percent of the \$2.8 billion raised by these groups since the 2010 election cycle.
- In the first half of 2025, these 527 groups raised nearly **\$23 million from public companies and trade associations**.^[2] These data suggest that donations and spending tied to the 2026 cycle are on track to reach record-breaking levels.

^[1] These groups are the Democratic and Republican Governors Associations, Attorneys General Associations, and state legislative campaign committees. Donations to and spending by these groups are regularly published by the IRS. CPA maintains [The Barbara and Morris Pearl 527 Interactive Database](#) to track this spending and company contributions to these groups.

^[2] 527 fundraising data referenced in this report are current only through June 2025 due to an unresolved error in the IRS's online reporting system. Figures will be updated once the error is resolved and additional data become available.

While these organizations represent only one slice of political spending, their funding patterns reflect broader structural dynamics. Corporate dollars are increasingly aggregated through partisan intermediaries, such as 527 organizations and 501(c)(4) groups, that play outsized roles in shaping state elections, judicial races, and redistricting outcomes while operating largely outside public view.

Because corporate political spending is fragmented and inconsistently disclosed, stakeholders have only a partial view of how companies engage politically, since direct contributions to candidates and parties capture only a fraction of activity. Trade association payments, Super PAC contributions routed through intermediaries, and funding to politically active nonprofits remain partially or entirely undisclosed. The gap between what companies spend and what stakeholders can see remains wide; but political disclosure and accountability can narrow that gap.

Structure

Several structural features of this ecosystem now amplify corporate risk:

- **Partisan, state-focused 527 organizations** increasingly rely on corporate funding (with some drawing a majority of their revenues from public companies and corporate-funded trade associations) but offer limited transparency or donor control. These include the Republican and Democratic governors associations, state legislative campaign committees and attorneys general associations.
- **Congressional Super PACs and national trade associations** remain among the most influential and least transparent recipients of corporate political money. Prominent Super PACs include the Senate Leadership Fund and the Congressional Leadership Fund for the Republicans and the Senate Majority PAC and House Majority PAC for the Democrats. While Super PAC contributions can be estimated from federal filings, trade association political spending is largely invisible in the absence of voluntary disclosure.
- **501(c)(4) nonprofits** receive a significant share of corporate political funds, often supporting electioneering, litigation, and policy advocacy with limited donor visibility into how funds are ultimately deployed. Leading c4s are One Nation and American Action Network for the Republicans and Majority Forward and House Majority Forward for the Democrats.

CPA's tracking of \$2.5 billion-plus of disclosed spending and the concentrated role of state-level 527 committees illustrate the core problem companies now face: political spending is both larger and riskier than is disclosed. Even partial visibility reveals a system in which corporate money plays a decisive role in shaping governance outcomes while remaining difficult to track, manage, or unwind—conditions that magnify long-term political, legal, and reputational exposure.

How Corporate Spending Reshaped U.S. Politics

Drawing on CPA research, including the Corporate Underwriters trilogy, this report shows how sustained corporate political spending has helped reshape the political landscape in ways that now generate instability and risk for companies themselves.

At the state level, corporate dollars played a decisive role in shifting political power through coordinated investments in party committees, leadership PACs, and allied organizations. These investments have contributed to:

- Aggressive gerrymandering and minority rule of state legislatures
- Entrenched political actors insulated from electoral accountability
- Heightened polarization and reduced incentives for compromise

Corporate-funded electoral groups also helped accelerate the spread of restrictive voting laws, politicized rulemaking, and legislative retaliation against perceived political or cultural opponents. What initially appeared to be targeted, efficient political investments produced long-term structural effects that corporations neither anticipated nor controlled.

Corporate support for state attorneys general and judicial races has further reshaped legal and regulatory environments, contributing to:

- Politicized enforcement and selective litigation
- Retaliatory actions against companies tied to cultural or ideological disputes
- Increased regulatory volatility rather than legal certainty.

At the federal level, corporate-backed political actors have influenced judicial appointments and landmark U.S. Supreme Court decisions that altered the balance of power among legislatures, courts, and executive actors. Even though some outcomes can be viewed as favorable to business interests, their ultimate effect has been to undermine corporate objectives by weakening institutional checks and the rule of law and increasing exposure to arbitrary or politically motivated governance.

Why This Must Be Addressed Now

Political retaliation is now an explicit and normalized tool of governance. Entire sectors are targeted based on public statements, internal policies, or perceived ideological alignment.

Today's risk environment is defined by:

- **Retaliation without protection:** As political dynamics change, companies face retaliation regardless of prior support, challenging the transactional logic that once justified political spending.
- **Regulatory unpredictability:** Policy shifts driven by grievance, spectacle, or executive discretion undermine long-term planning and investment.
- **Escalating stakeholder backlash:** Employees, consumers, and investors are less tolerant of political spending that conflicts with corporate values, employee expectations, or public commitments. CPA's [Real Risks](#) research shows these responses are often swift, public, and difficult to contain.

Democratic institutions that undergird the business environment are under strain. Erosion of public trust in elections, courts, and regulators weakens the stability on which markets depend.

Corporate political spending arguably contributed to these conditions, even when individual decisions appeared rational at the time. Addressing corporate political spending is not just a matter of reputation management alone. It is a necessary step toward mitigating systemic risks that now threaten companies, markets, the rule of law and the broader democratic framework.

The Old Corporate Political Spending Model No Longer Works

For decades, corporate political spending operated within a narrow and widely accepted framework. Both direct and indirect political contributions were treated as routine tools for securing access to policymakers, shaping regulatory outcomes, and protecting business interests. Political contributions were framed primarily as a component of fiduciary responsibility, justified by their presumed contribution to shareholder value and competitive positioning.

Within this model, corporate political activity was viewed as largely narrowly focused and transactional. Government relations teams focused on cultivating relationships, maintaining access, and monitoring policy developments relevant to specific business lines. Contributions were evaluated based on proximity to power—committee assignments, leadership roles, or perceived influence over discrete legislative or regulatory issues. Political spending was assumed to be manageable, predictable, and bounded by institutional norms.

As documented in CPA's [Guide to Corporate Political Spending](#) and [Real Risks](#), risk analysis, where it existed, focused overwhelmingly on legal compliance: adherence to campaign finance laws, disclosure requirements, and regulatory requirements. Broader political, ethical, or societal consequences were rarely incorporated into decision-making.

New Categories of Corporate Political Risk

Today's corporate political environment is characterized by:

Retaliatory Risk -- the growing likelihood that companies will be targeted by political actors through executive action, regulatory pressure, or public attacks, regardless of past political support. Retaliation is no longer exceptional. It is an increasingly normalized tool of governing.

Regulatory Whiplash -- the rapid and unpredictable shifts in regulatory regimes driven by ideological agendas and personalized power. Companies face inconsistent enforcement, abrupt policy reversals, and compliance demands that vary sharply across jurisdictions.

Exposure Risk -- political spending routed through opaque intermediaries such as 527 organizations, Super PACs, and 501(c)(4) groups. These channels reduce transparency and control, increasing the likelihood that corporate funds support extremist, illiberal, high-risk political activity or attacks on the rule of law. Secrecy cannot be guaranteed by giving through opaque or dark intermediaries. There is the omnipresent risk of inadvertent disclosure.

Questions about democratic impact, institutional stability, or the cumulative effects of political spending on governance were generally viewed as outside the scope of corporate responsibility.

This approach reflected a narrow conception of corporate self-interest, rooted in assumptions that political institutions were fundamentally stable and that policymaking followed predictable processes. Political spending that delivered regulatory relief, tax advantages, market access or fostering a favorable business environment was therefore treated as prudent and value-enhancing. Long-term systemic consequences were discounted, and political activity was rarely integrated into enterprise-wide risk management or ethical governance systems.

Trade associations, Super PACs, 527 organizations, and 501(c)(4) groups are central to this model. By pooling resources, they offer efficiency, insulation from scrutiny, and plausible deniability. Companies generally assumed alignment between their interests and those of the organizations they funded, while exercising limited oversight over how dues and other payments are ultimately deployed. Third-party political spending rarely received the same level of board attention or internal scrutiny as direct corporate activity.

Reputational & Democratic Risk --

the growing backlash from employees, consumers, investors, and the public when corporate political activity is perceived as conflicting with values or harmful to democratic institutions. Damage to trust, culture, and brand equity can be enduring and difficult to repair.

Wider Corruption Risk --

the normalization of coercive political practices, including extortionary settlements, politicized enforcement, and the erosion of due process. Participation in or acquiescence to these dynamics exposes companies to legal, ethical, and systemic risk that extends well beyond any single political transaction.

New Forms of Spending --

the rise of corporate payments to government-linked entities, political nonprofits, and affiliated charities that blur the line between philanthropy, access, and influence. Companies should be prepared for a future environment in which lawmakers, regulators, or the public revisit these payments and question their purpose and propriety, particularly if political winds shift and reform efforts follow.

Within relatively stable political institutions, the old corporate political spending model appeared rational and effective. Political spending was widely understood as a low-risk, high-return activity —one that could be delegated to specialized teams and managed through established compliance processes. Those assumptions no longer hold.

The Political and Societal Environment Companies Face Today

In today's world, political loyalty offers little insulation in systems driven by grievance, personalization, and public spectacle. Trade associations, Super PACs, state-focused 527 organizations, and politically active nonprofits deploy funds in ways that conflict with corporate values, public commitments, long-term interests, and even advocacy objectives. Once spent, these dollars are difficult to trace, influence, or redirect, leaving companies associated with outcomes they neither intended nor endorsed.

This is because:

- Transactional strategies break down in political systems characterized by retaliation and ideological enforcement.
- Third-party spending magnifies risk while diluting accountability and internal oversight.
- Cumulative corporate investment has helped empower governing that undermines regulatory predictability, institutional trust, and the rule of law.

Together, these shifts fundamentally alter the cost-benefit analysis of political contributions. The old model was premised on stability, predictability, and norms that constrained the use of power. Today's political environment is defined by their erosion.

Case Studies: When Political Spending Becomes Liability

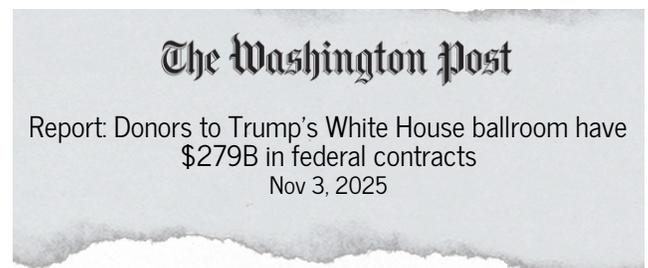
These vignettes illustrate how political engagement and the broader political environment can transform from perceived assets into direct liabilities for companies and other institutions.

Quasi-Political Contributions and the Limits of Access

Recently, major corporations made substantial contributions to entities outside traditional campaign finance channels, including large donations to President Trump's second inauguration fund and to finance a new White House ballroom. Donors spanned technology, retail, transportation, manufacturing, and other sectors. These contributions were widely understood as efforts to secure access, repair relationships, or signal goodwill to the incoming administration.

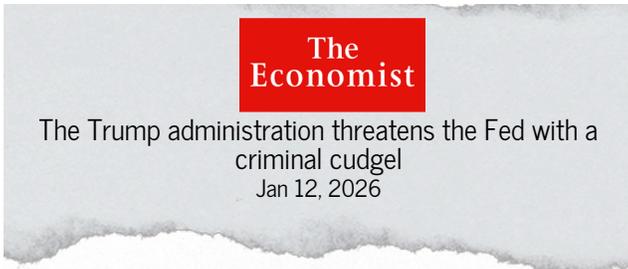
While these types of contributions may be formally detached from policy outcomes, they are closely tied to proximity to power. The strategy therefore carries immediate governance and reputational risks, raising questions about implicit expectations of reciprocity and alignment with corporate values.

Importantly, some major companies declined to participate, explicitly citing these risks. JPMorgan Chase CEO Jamie Dimon emphasized that firms must avoid actions that could be perceived as "buying favors," noting uncertainty over how future Justice Department leadership might respond. As a result, he explained, JPMorgan maintains policies regarding certain forms of political engagement precisely to reduce exposure.



The episode illustrates a central risk of the current environment: neither quasi nor traditional political spending offers durable protection. Rather than insulating companies from political pressure, it can increase visibility, elevate expectations companies cannot control, and expose firms to scrutiny from political actors, stakeholders and the media.

Government Pressure and Regulatory Threats



In early 2026, leaders of major financial institutions publicly warned about unprecedented political pressure from the executive branch that crossed a traditional boundary separating policy advocacy from coercion. In response to presidential proposals to cap credit card interest rates and investigations into Federal Reserve leadership, Wall Street and financial services CEOs — including the chief executive officers of the largest U.S. banks — criticized executive branch attacks on independent monetary institutions as harmful to economic stability and corporate planning. President Trump, in turn, dismissed these warnings, framing them as self-interested and politically motivated. This sequence of events illustrates how political intimidation and public friction between senior executives and government leadership can generate market uncertainty, erode investor confidence, and force corporations into highly public political conflict even when the companies' intent was to advocate for institutional stability.

Law Firms and Universities as Targets of Political Pressure

Recent news shows executive authority being used to pressure law firms and universities through funding threats, regulatory leverage, and public intimidation. Several major law firms have faced executive orders and administrative actions tied to their clients or legal positions, raising concerns about independence and access to federal contracts.

Universities have seen federal funding reviews used to compel changes to academic programs, governance, and campus policies.

This has clear implications: political actors target corporate partners, suppliers, or affiliated institutions, creating reputational, operational, and regulatory risk. Firms become collateral damage in political disputes.

Broad Access Does Not Guarantee Safe Outcomes

Even firms with deep political ties have faced pressure in unrelated arenas, including regulatory threats, public criticism, and punitive rhetoric. A striking example unfolded in early 2026 when ExxonMobil's CEO publicly described Venezuela as "uninvestable" at a White House meeting on energy investment. Shortly afterward, President Trump responded by saying he was "inclined to keep ExxonMobil out" of his administration's Venezuela oil strategy, effectively threatening to exclude the company from the very opportunity it had briefed senior officials about, despite Exxon's long history of political spending and industry alignment.

Executive threats to regulatory access, abrupt changes in trade and energy policy, and growing legislative unpredictability show that political relationships no longer function as reliable risk mitigation tools. or collateral in political strategies they neither control nor are intended to advance.



All the ways the Trump administration is going after colleges and universities
Jan 10, 2025



Trump presidential orders target law firms. Here's how some lawyers say that threatens the rule of law.
May 4, 2025



Trump threatens to block ExxonMobil from Venezuela after CEO calls country 'uninvestable'
Jan 11, 2026



Why is Trump threatening defense firms?
Jan 11, 2026



Trump's 200% tariff threat leaves pharma firms scrambling with scenario planning
Jul 11, 2025

Strategic Implications for Corporate Governance: What Companies Can Do Differently

The new political and societal environment requires public companies to rethink their approach to political spending. Traditional strategies focused on access and short-term influence are no longer sufficient. Political activity itself is now a potential source of risk. Boards and executives must adopt a more rigorous, ethical, and strategic framework for directing corporate political contributions. This framework provides corporate leaders with a compass that helps direct their activity.

Ethical Guideposts for Political Activity

Companies must explicitly integrate values and ethics into political spending decision-making. This requires revisiting prior frameworks that emphasized transactional outcomes or narrow fiduciary perspectives, such as [the Business Roundtable 2019 principles](#). Political spending should align with corporate values and broader societal impact, rather than solely with short-term strategic advantage. Embedding ethics into enterprise risk management and governance protects not only reputation but long-term operational resilience.

Improved Risk Oversight

Boards must incorporate political system instability into enterprise risk management. This includes oversight of direct contributions and especially third-party spending through trade associations, 527s, Super PACs, and 501(c)(4) entities, which can create exposure outside management's control. Continuous oversight ensures companies can respond proactively to regulatory shifts, political retaliation, or stakeholder backlash.

Improved Risk Oversight

Political spending must now account for illiberal dynamics that were previously unheard of, underappreciated or ignored, including,

- **Retaliation:** Threats, regulatory or legal, aimed at specific companies or sectors.
- **Public targeting:** Attacks on companies through executive or legislative action.

- **Political weaponization:** Situations where corporate involvement or association becomes collateral in broader political disputes.

Ethical Guideposts for Political Activity

Companies must adopt a long-term, comprehensive framework that evaluates political spending decisions in terms of values, risk, and societal impact. CPA tools provide a practical foundation for this approach, while other frameworks can further guide responsible corporate political engagement:

- **CPA-Zicklin Index** for benchmarking corporate transparency and governance.
- **Guide to Corporate Political Spending and Guide to Becoming a Framework Company** for aligning corporate political contributions with corporate values.
- **The Barbara and Morris Pearl 527 Interactive Database** to monitor third-party spending.
- **The Erb Principles for Corporate Political Responsibility**, which offer actionable guidance on aligning political engagement with ethical, legal, and reputational considerations.

Implementing these standards requires embedding political accountability and responsibility both top-down (through board and executive oversight) and bottom-up (through organizational culture and employee engagement).

Conclusion: A New Paradigm for Corporate Political Spending and Responsibility

Ultimately, companies should recognize that political contributions are no longer merely a tool for influence, but a critical source of risk that shapes both corporate fortunes and the political environment on which markets and institutions depend. Traditional notions of how political contributions and other spending further corporate missions and better society have to square with an unprecedented political environment that only promises more destabilization in the short term and sets the stage for future reforms that will scrutinize the role of the regulated community.

Protecting corporate reputation, operational stability, and societal legitimacy requires a new paradigm of political accountability -- one that is transparent, ethically grounded, aligned with corporate values, and attentive to the broader consequences of corporate influence on markets, the wider society and democratic governance. This imperative reflects what recent research has described as “public failure, private ordering”: where action is not possible through legislation or regulation, companies have acted on their own by adopting voluntary standards, disclosure regimes, and governance frameworks to fill the gap. When a critical mass of companies has taken this step, it turns a practice into a standard. This has been the case with corporate political disclosure and accountability and is reflected in the findings of the annual CPA-Zicklin Index of Corporate Political Disclosure and Accountability.

The CPA-Zicklin Framework for Corporate Political Spending offers companies today a unique and invaluable compass. It is a bold framework that supports companies in navigating the new political landscape.

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