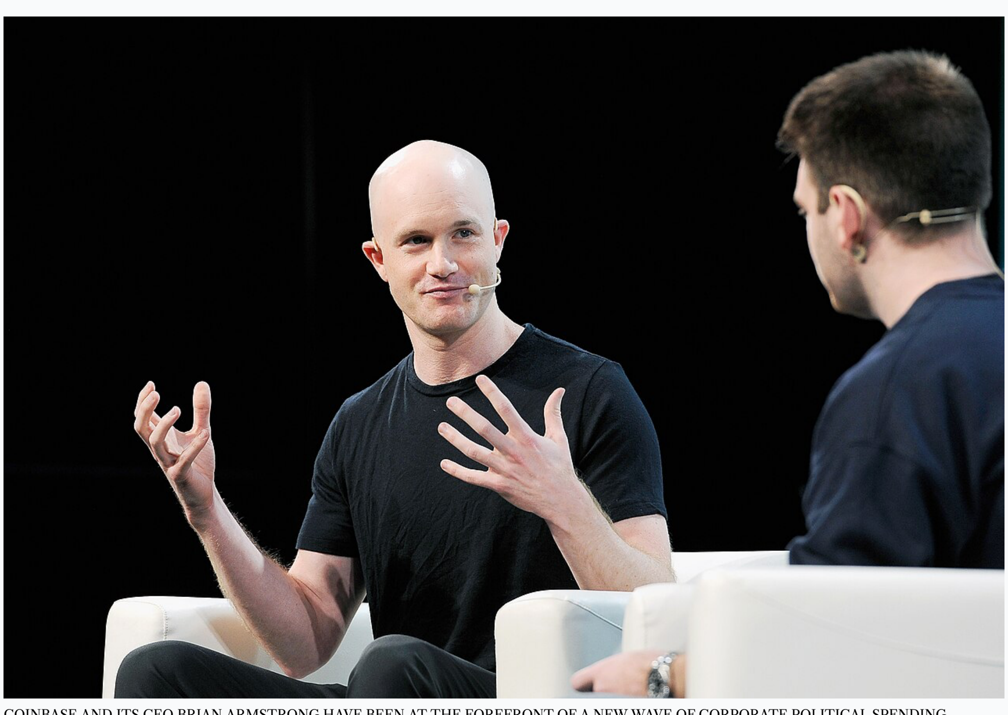
Is Corporate Political Spending Becoming Bad for Business?

A small D.C. policy shop, the Center for Political Accountability, is driving a critique of money in politics aimed at spurring new thinking in C-suites and boardrooms.

David Callahan • August 17, 2026



COINBASE AND ITS CEO BRIAN ARMSTRONG HAVE BEEN AT THE FOREFRONT OF A NEW WAVE OF CORPORATE POLITICAL SPENDING. PHOTO: TECHCRUNCH/CC-BY-2.0

For decades, the most familiar critique of corporate political spending has been simple: that business is buying influence within the halls of power, corrupting politicians and democracy itself.

But there's another critique of such spending, one aimed less at galvanizing public anger and more at spurring new thinking in C-suites and boardrooms: that corporate campaign giving carries risks for both companies and the economy, while delivering uncertain returns for shareholders.

Today, both these critiques are gaining new momentum.

Populists increasingly rail against corporate money in politics, particularly the rising clout of Big Tech. At the same time, the downsides of a system that allows unlimited corporate political spending have never been more prominent, as President Donald Trump asks companies to support his super PAC and a raft of pet projects, pressing some for contributions of $25 million or $50 million while companies also seek access and favorable treatment from his administration.

Since 2003, Bruce Freed and the Center for Political Accountability (CPA) have raised hard questions for corporations to consider about their political spending. Today, in a climate that's turned more "blatantly transactional," he sees those questions as more timely than ever.

Shining Light on a Shadowy World

Aside from lobbying, which constitutes by far the largest share of corporate political spending, money from business flows into politics through multiple channels, including donations from corporate treasuries to 527 groups and super PACs; spending by traditional corporate PACs financed by employees and shareholders; and, more broadly, campaign donations by individual executives.

Corporate political spending has surged since the *Citizens United* ruling in 2010. Since then, CPA estimates that corporations and trade associations have given more than $1 billion to just six major 527 groups aligned with the two political parties, including the Republican Governors Association and the Democratic Governors Association. But this estimate doesn't capture all money flowing into elections from business.

A June report by Public Citizen estimates that corporations have spent $1.58 billion on federal elections since 2010, with the current election cycle accounting for a stunning third of that total, or $517 million. Much of this recent spike has been driven by crypto, AI and online-betting companies.

The available data on corporate political spending only includes donations and expenditures that have been publicly disclosed. It does not include money that flows through 501c4 nonprofit groups or other dark money channels.

The Center for Political Accountability was founded to bring more transparency and accountability to these money flows, focusing on election-related spending. It collaborates closely with shareholder advocacy groups who have long been on the forefront of raising questions about corporate political spending.

CPA's signature research product is the CPA-Zicklin Index of Corporate Political Disclosure and Accountability, which benchmarks companies' disclosure, policies and oversight around election-related political spending. The index covers companies in the Russell 1000. That means it excludes a great many other players engaged in campaign spending, such as major privately held tech companies like OpenAI and privately held finance and investment firms.

The index assesses corporate political spending using a set of criteria, among the most important of which is basic transparency: "The company will disclose publicly all direct contributions and expenditures with corporate funds publicly on behalf of candidates, political parties, and political organizations."

Freed says there's been a sea change in transparency in major corporations' political spending since 2011, when the first CPA index was published. "There is a greater awareness at the board and senior management level," he said, regarding the importance of disclosing election-related spending. This shift has occurred against the broader backdrop of attention to environmental, social and governance issues, often driven by pressure from shareholders and employees, advocacy groups, and shifts in public opinion. The first CPA-Zicklin Index, covering the S&P 100, was published in 2011; it has been published annually since then.

In the most recent CPA-Zicklin Index for 2025, 112 S&P 500 companies — more than 22% of those evaluated — scored 90% or higher, while 205 companies, or about 41%, landed in the top tier with scores of 80% or higher. That represents a major improvement over earlier years: just 28 companies were in the top tier in 2015.

Risky Spending

But promoting greater transparency in corporate political spending is only part of CPA's mission. Its other goal is to promote greater accountability, ensuring that political spending aligns with the company's values and interests, a goal especially important to shareholders.

Such alignment has become increasingly important as companies have faced more political blowback. Any number of firms have learned the hard way that sending the wrong signal to some segment of their customers in today's highly polarized climate can cause reputational harm and a hit to profits. Increasingly, companies also face internal blowback from employees over their political positions, which can complicate efforts to retain and recruit top-tier talent.

CPA argues that corporations should carefully consider such risks.

Even more ambitiously, the CPA Zicklin Framework asks that companies "consider the broader societal and economic harm and risks posed by the company's political spending."

This larger goal has become increasingly timely as politics has grown more transactional in the Trump era, with concerns mounting about corruption and crony capitalism.

Many companies, said Freed, focus on the short-term gains of political giving. "They think, 'I'm going to get tax breaks if we elect this governor,' or 'I'll get regulatory relief,'" said Freed. They may also think they have little choice but to give because their competitors are giving.

And often, they are exactly right on both counts. "Today, there's a very clear correlation between giving major contributions and getting regulatory relief or favorable regulatory treatment, or being let off the hook in return for the money," he said.

Yet while a transactional political system may look attractive when a company believes it can obtain favorable treatment, it can also find itself on the losing side with elected officials if it is outbid by a competitor.

"The expectation of members is, if somebody wants to see you, that they're going to make a contribution with PAC money," Freed says. "Does your competitor raise the ante on that?"

Freed's larger point is that by helping fuel today's campaign finance system, corporations may be undermining the societal conditions that businesses need to thrive. "There's a recognition among some of the corporate folks that corruption is now a serious challenge and a serious risk," he said. "The dynamic has changed dramatically."

Related to that is the growing political instability that's characterized the Trump era. After January 6, nearly 250 companies suspended donations to the 147 Republican members of Congress who voted against certifying the 2020 election results. Recent research indicates that those pledges have fallen by the wayside, and by 2025, CREW identified just 15 companies that had continued to honor their pledges not to support those lawmakers.

Freed and CPA argue that corporations should think more carefully about which politicians they're supporting at a fragile moment for U.S. democracy.

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The Center for Political Accountability does not take a position on the broader question of corporate political spending, and Freed describes himself as "agnostic" on this issue.

Yet CPA's ability to speak to the bottom-line interests of corporations — to minimize reputational risks and enjoy a stable political and economic climate — makes it a powerful voice for reform of the current system.

If more leaders in corporate America decide that they've had enough of this system, new political possibilities would likely emerge for campaign finance reform.

David Callahan

David Callahan founded Inside Political Money after two decades of tracking wealth and power. He is also the Founder and Editor of Inside Philanthropy. As IPM's Editor, he leads a team that reports on political spending and its impact across the federal, state, and local levels. He can be reached at david@insidepoliticalmoney.com and on X at @davidcallahanIPM.