AGENDA

Companies Pour Record Funds into Political Campaigns

This could back ire with increasing regulatory, shareholder and public scrutiny

By Lindsay Frost | September 25, 2026

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Companies are dumping record high contributions into campaigns at the federal and state level ahead of the midterm elections.

In the current political environment, sources said such spending gives businesses greater access to the government. Yet it also exposes them to more regulatory, shareholder and public scrutiny.

For example, a change in Congress or state-level laws could result in hearings and restrictions on such spending. Plus, perceived misalignment between spending and values creates reputational risk. Sources said boards should practice strong due diligence and delegate oversight to specific committees as well as consider reining in corporate political spending in general.

"The most important thing that boards can do is to create some oversight body ... that will monitor both social positions and political activism," said **Mae McDonnell**, professor at the Wharton School at the **University of Pennsylvania** and co-author of the Wharton and CPA corporate political activity research primer. "Hypocrisy is what really gets companies in trouble."

'Noisiest Participants'

Corporate political spending on federal elections reached $646 million as of the end of August, according to a report from **Public Citizen**, up 40% from the 2024 presidential election. Most of the money flowed into political action committees or super PACs donating to a range of candidates seeking to address issues that hit close to home for companies and industries.

PACs can donate money directly to candidates within certain limits while super PACs can't donate directly to candidates but can raise unlimited amounts of money.

"These vehicles have appeared as channels for big spending by corporations and a lot of wealthy individuals," said **Rick Claypool**, research director for Public Citizen's president's office and author of the report. "In doing so, they have become some of the noisiest participants in the election cycle."

The industries that contributed the most include cryptocurrency, online betting and AI, as well as other big technology companies, amid talks of increased regulation (and deregulation) in these spaces, according to the Public Citizen report. More than $200 million came from the crypto industry alone.

Specifically, the top public company spenders into super PACs include **DraftKings**, crypto exchange Gemini Trust Company and **FanDuel**.

To view the graphic, click here or go to https://www.agendanews.com/c/5259303/754094?referring_content_id=5259303&referring_issue_id=754094

DraftKings did not disclose its political spending policy in any **Securities and Exchange Commission** filings in the last two years. However, co-founder and CEO **Jason Robins** said in a May earnings call that the company formed its super PAC and is "spending in various states" as a strategy it is testing out during this election cycle and then will "assess whether it's something that we want to continue doing in future years."

Gemini Trust's parent company, **Gemini Space Station**, disclosed in a September 2025 prospectus that its political activities as an entity might be perceived unfavorably by investors and the public but did not outline a specific policy.

Beyond federal spending, state attorneys general also collected a record high $37 million in the first half of 2026, largely driven by corporate contributions, according to a report from The Wall Street Journal. Notably, state attorneys general have stepped up their role in M&A approvals and other regulatory matters.

Along with corporations themselves, individual executives are flooding campaigns with cash. For example, California Democrat gubernatorial candidate **Matt Mahan** has received more donations than any other candidate in that race from executives at tech companies including **Alphabet**, **Amazon** and **Reddit**, according to Transparencyusa.org.

Meanwhile, as midterm races heat up, investigators are looking into executives' past donations as well.

This week, Pro Publica reported that a super PAC aligned with Senator **Susan Collins** (R-Maine) received thousands of dollars in donations from executives at former Hawaiian government contractor Navatek in late 2019, allegedly skirting campaign finance laws related to contractors and pay-for-play spending.

The super PAC reportedly received money from Navatek's then CEO **Martin Kao** through a shell company along with close associates, breaking campaign finance laws in the process, the Pro Publica report alleged. A Collins campaign staffer said she "vigorously" refuted the findings.

Risks Versus Rewards

PACs and other vehicles for political spending, such as trade groups, allow for more indirect access to government officials, sources said. Some 58% of board directors said they were somewhat or very concerned about government intervention in corporate strategy or operations, according to **PwC**'s annual corporate directors survey.

"Especially in the boardroom, people are worried about dramatic swings in policy," McDonnell said. "A difference in a couple [of Congressional] seats could mean an awful lot for policy," especially because of political polarization.

However, there are "quite serious" risks companies should be aware of before spending on political campaigns through PACs or otherwise, Claypool said.

For example, if Democrats take control of Congress, there could be hearings related to corporations' political spending. And those hearings "could be quite searing," said **Bruce Freed**, president and co-founder of the **Center for Political Accountability**. Tech companies, which have made substantial donations to President **Donald Trump**'s legacy projects, including the White House ballroom, are reportedly worried they'll become targets if Republicans lose control of the House.

Furthermore, two bills in Montana and Tennessee would restrict corporate spending completely and on political ads, respectively, while in Hawaii, legislation passed this year prohibits corporations from spending money to influence elections or ballot measures.

The general public largely backs these types of restrictions. A majority (92%) of more than 2,000 voters surveyed by the **Brennan Center for Justice** said corruption is a big problem in politics and government, with 94% defining corruption as prioritizing the interests of billionaires and big corporations. Some 79% support a constitutional amendment to restore limits on money in elections.

Given the two-party system in the U.S., businesses' political spending can be seen as misaligned with stated positions on other issues, sources said. Back in 2020, **Estée**

Lauder Companies faced public and employee backlash when one of its heirs and board members, **Ronald Lauder**, made a political donation to Trump's campaign.

"Most of the social issues that companies say they care about in their advertising and corporate social responsibility endeavors are aligned with a different partisan side than pro-business tax policy and things like that," McDonnell said.

Almost one-third of Americans said they have boycotted a business, with 41% citing political donations or affiliations, according to a survey of more than 2,000 U.S. consumers from **LendingTree**.

"There's a strong public sentiment that is mistrustful of corporate engagement in politics," Claypool said.

Board Oversight

Sources said it's important that boards have explicit oversight of political spending to mitigate some of these risks.

Some 328 companies in the S&P 500 disclosed general board oversight of political spending last year while 291 disclosed board committee review of direct political contributions and expenditures, according to the 2025 CPA-Zicklin Index.

As shareholders and stakeholders alike continue to push for greater transparency into political spending, "a lot of boards have implemented policies" to monitor activity, including limits on political spending, whom they will and won't support, and rules about disclosure, McDonnell said.

Boards need to practice "broader due diligence," Freed said. "This means directors' knowing where the company's money ends up, the ultimate recipients when it gives to third-party groups."