



2010 RESULTS

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Corporate Political Disclosure

In January 2010, the United States Supreme Court rendered its decision in the *Citizens United v. Federal Election Commission* case. That verdict allowed corporations (among others) to be much more active in election campaigns, through methods that are publicly disclosed as well as methods that are both undisclosed and unlimited. The Robert Zicklin Center for Corporate Integrity initiated a project to track corporate disclosure of these activities. We define corporate political disclosure as follows:

Corporate political disclosure refers to the corporation's volitional communication to stakeholders of corporate information (resource expenditures, policies, procedures, and governance) relevant to corporate support for political activities (candidates, campaigns, causes, ballot measures, and the like) through either in-kind or monetary expenditure. In the current U.S. institutional environment, mechanisms include direct donation as well as donation via vehicles such as political action committees, trade associations [501(c)(6)s]*, social welfare groups [501(c)(4)s], or 527 committees.

The Baruch Index of Corporate Political Disclosure measures a company's willingness to disclose, or its *transparency*, regarding its corporate political activity with regard to:

- ease with which someone can find the relevant materials on the corporate website;
- what policies, procedures, and corporate governance structures are in place and disclosed; and
- what the corporation says about whom and what it gives to, and how those donations are made.

*The number designation of these various entities pertains to the section of the U.S. tax code governing that particular mechanism.

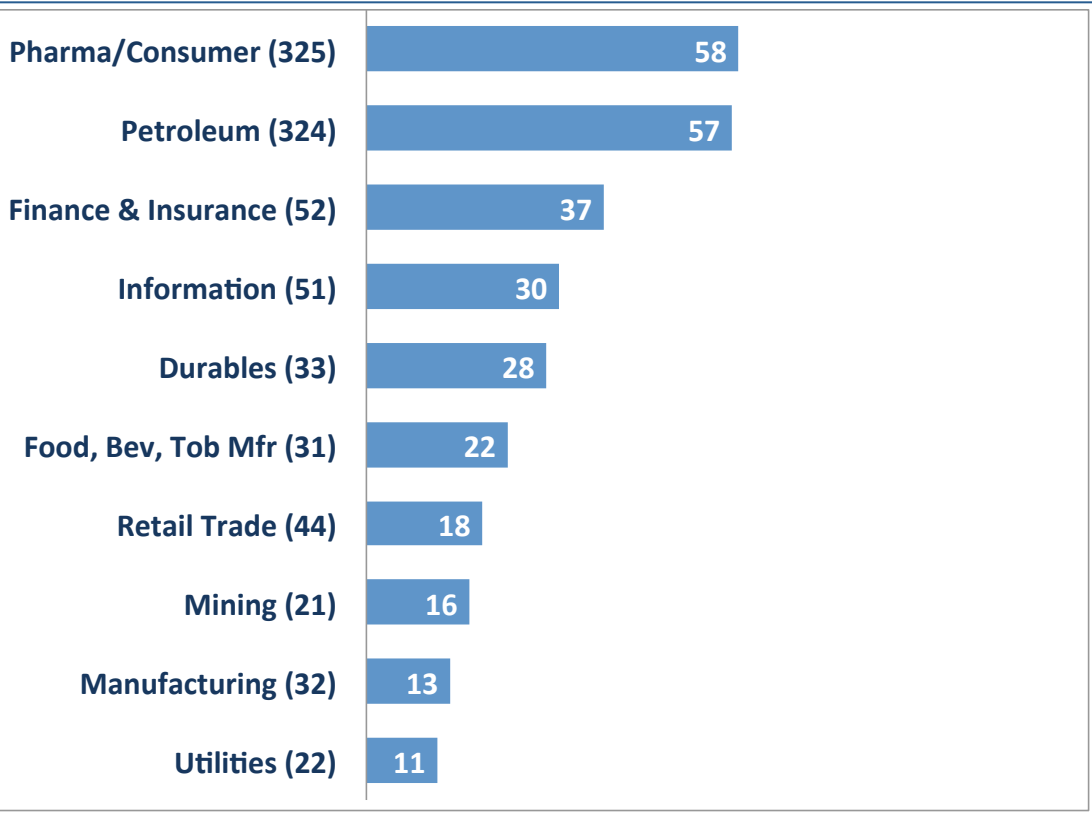


- Industry matters
- 22% of the S&P 100 disclose little or nothing about their corporate political activities
- On average the companies that contribute the most disclose less than others



Industry Transparency

INDUSTRY (NAICS CODE) / BARUCH INDEX



Means reported are for industries with 3 or more members represented.

Transparent/Top Tier: above 80
Strong: 61 – 80
Moderate: 41 – 60
Weak: 21 – 40
Opaque/Lowest Tier: 0 – 20

Pharmaceutical and Consumer Products Lead BI Ratings

Sector results provide a hint of the institutional context within which firms compete. Some firms operate in industries with norms of greater transparency.

Utilities, durables manufacturing (non 324 and 325), and mining anchor the bottom of the transparency ratings.

2010 BARUCH INDEX of CORPORATE POLITICAL DISCLOSURE

Data collected for 2010 & analyzed in 2011



TRANSPARENT 81 to 100	← MODERATE → 61 to 80	MODERATE 41 to 60	21 to 40	OPAQUE 0 to 20
<p>Colgate-Palmolive Company*</p> <p>Goldman Sachs Group, Inc.</p> <p>International Business Machines Corporation</p> <p>Pfizer Inc</p> <p>Sara Lee Corporation</p> <p>U. S. Bancorp</p> <p>Xerox Corporation</p>	<p>Altria Group, Inc.</p> <p>American Electric Power Company, Inc.</p> <p>American Express Company</p> <p>Amgen Inc.</p> <p>Campbell Soup Company</p> <p>Cisco Systems, Inc.</p> <p>The Coca-Cola Company</p> <p>ConocoPhillips Company</p> <p>Dell Inc.</p> <p>E. I. du Pont de Nemours and Company</p> <p>EMC Corporation</p> <p>Exelon Corporation</p> <p>Exxon Mobil Corporation</p> <p>Hewlett-Packard Company</p> <p>McDonald's Corporation</p> <p>Merck & Co., Inc.</p> <p>Microsoft Corporation</p> <p>PepsiCo, Inc.</p> <p>Philip Morris International Inc.*</p> <p>The Procter & Gamble Company</p> <p>Texas Instruments Incorporated</p> <p>United Technologies Corporation</p> <p>UnitedHealth Group, Inc.</p> <p>Wells Fargo & Company</p> <p>The Williams Companies, Inc.</p>	<p>Alcoa Inc.*</p> <p>Avon Products, Inc.</p> <p>Baker Hughes Incorporated</p> <p>Baxter International Inc.*</p> <p>The Boeing Company</p> <p>Capital One Financial Corp.</p> <p>Chevron Corporation</p> <p>Citigroup Inc.</p> <p>The Dow Chemical Company</p> <p>Entergy Corporation</p> <p>FedEx Corporation</p> <p>Freeport-McMoRan Copper & Gold Inc.</p> <p>General Electric Company</p> <p>Gilead Sciences, Inc.</p> <p>H.J. Heinz Company</p> <p>The Home Depot, Inc.</p> <p>Intel Corporation</p> <p>Johnson & Johnson</p> <p>Kraft Foods Inc.</p> <p>Lockheed Martin Corporation</p> <p>Medtronic, Inc.</p> <p>Monsanto Company</p> <p>Oracle Corporation</p> <p>Regions Financial Corporation</p> <p>Southern Company</p> <p>Target Corporation</p> <p>Time Warner Inc.</p> <p>United Parcel Service, Inc.</p> <p>Verizon Communications Inc.</p> <p>Weyerhaeuser Company</p>	<p>3M Company</p> <p>Abbott Laboratories</p> <p>Apple Inc.</p> <p>AT&T Inc.</p> <p>The Bank Of New York Mellon Corporation</p> <p>Bristol-Myers Squibb</p> <p>Comcast Corporation</p> <p>General Dynamics Corporation</p> <p>Honeywell International Inc.</p> <p>JPMorgan Chase & Co.</p>	<p>The Allstate Corporation</p> <p>Amazon.com, Inc.</p> <p>Bank of America Corporation</p> <p>Berkshire Hathaway Inc.</p> <p>Caterpillar Inc.</p> <p>Costco Wholesale Corporation</p> <p>CVS Caremark Corporation</p> <p>Devon Energy Corporation</p> <p>Ford Motor Company</p> <p>Google Inc.</p> <p>Halliburton</p> <p>Lowe's Companies, Inc.</p> <p>MasterCard Incorporated</p> <p>MetLife, Inc.</p> <p>Morgan Stanley</p> <p>National Oilwell Varco, Inc.*</p> <p>News Corporation</p> <p>NIKE, Inc.</p> <p>Norfolk Southern Corporation</p> <p>NYSE Euronext</p> <p>Occidental Petroleum Corporation</p> <p>Qualcomm Incorporated</p> <p>Raytheon Company</p> <p>Schlumberger Limited*</p> <p>Sprint Nextel Corporation</p> <p>Walgreen Co.</p> <p>Wal-Mart Stores, Inc.</p> <p>The Walt Disney Company</p>

* Denotes a firm with no corporate political contributions at state and federal levels



Corporate Leaders: Dimensions of Corporate Political Disclosure

Disclosure of Corporate Policies, Procedures, and Structures	Disclosure of Amounts and Recipients
Altria Group, Inc.	Colgate-Palmolive Company
Colgate-Palmolive Company	Goldman Sachs Group, Inc.
International Business Machines Corporation	International Business Machines Corporation
Pfizer Inc.	McDonald's Corporation
Sara Lee Corporation	Philip Morris International Inc.
U. S. Bancorp	Sara Lee Corporation
The Williams Companies, Inc.	U. S. Bancorp
Xerox Corporation	Xerox Corporation



Hard to Find

Companies where political activity information is HIDDEN (or difficult to find) on their websites

The Allstate Corporation	Caterpillar Inc.	Google Inc.	Norfolk Southern Corporation	Schlumberger Limited
Amazon.com, Inc.	Costco Wholesale Corporation	MasterCard Incorporated	NYSE Euronext	Sprint Nextel Corporation
Baker Hughes Incorporated	CVS Caremark Corporation	MetLife, Inc.	Occidental Petroleum Corporation	Walgreen Co.
Bank of America Corporation	Devon Energy Corporation	National Oilwell Varco, Inc.	Qualcomm Incorporated	Wal-Mart Stores, Inc.
Berkshire Hathaway Inc.	Freeport-McMoRan Copper & Gold Inc.	News Corporation	Sara Lee Corporation	The Walt Disney Company

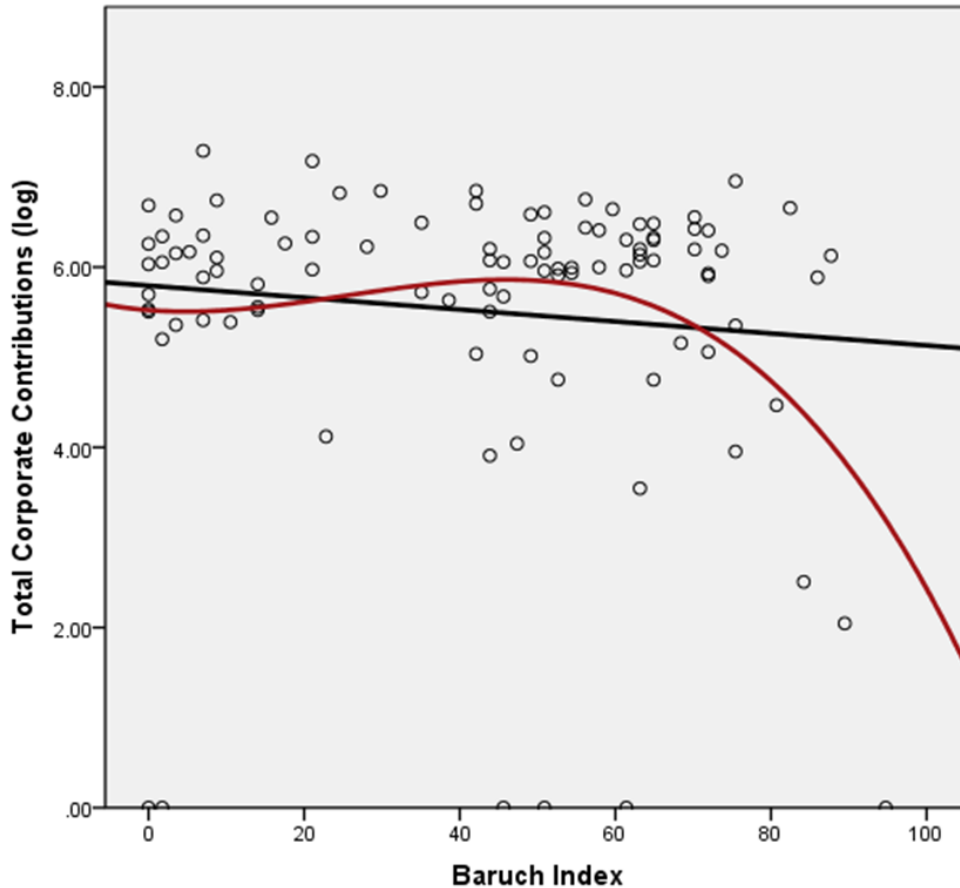


Easy to Find

Companies where political activity information is **PROMINENT** (easy to find) on their websites

Alcoa Inc.	Campbell Soup Co.	Exelon Corporation	Johnson & Johnson	PepsiCo., Inc.	Time Warner Inc.
Altria Group Inc.	Chevron Corporation	Exxon Mobil Corporation	Lockheed Martin	Pfizer Inc.	United Technologies Corporation
Amgen Inc.	Citigroup Inc.	H.J. Heinz Company	Merck & Co., Inc.	Philip Morris International	U.S. Bancorp
Avon Products, Inc.	Dow Chemical	Hewlett-Packard Co.	Microsoft Corporation	Procter & Gamble	Weyerhaeuser Company
The Boeing Company	Entergy Corporation	The Home Depot, Inc.	Monsanto Company	Target Corporation	The Williams Companies, Inc.

Linking Transparency and Corporate Political Giving



The Relationship Between Corporate Political Disclosure and Corporate Political Spending Is Complex

As companies increase their political giving, their disclosure increases to a peak. Companies with higher levels of contributions disclose less on average than those with low levels.

There also are companies with low levels of contributions who are opaque.

This trend suggests that companies with low levels of contributions may lack reporting mechanisms because the issue is not salient



Contact Information

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