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REPORT: Despite Strong Headwinds, 2018 CPA-Zicklin Index Finds Company Political Disclosure Holds Steady

WASHINGTON, OCT. 2—Public corporations embracing disclosure and accountability of their political spending are holding fast despite countervailing pressures from Washington.

That's the chief finding to emerge from a non-partisan study released today by the Center for Political Accountability (CPA) and the Zicklin Center for Business Ethics Research at The Wharton School at the University of Pennsylvania.

Released in the run-up to the high-stakes 2018 midterm election, this year's index is the first to examine these trends during an entire year of the Trump Administration and a Republican majority Congress.

It finds a pattern of large public companies holding steady in accepting and practicing disclosure and accountability with regard to their election-related spending. In several key categories, more companies are letting in sunlight or strengthening their related practices.

Data reflecting these trends are found in the 8th annual CPA-Zicklin Index of Corporate Political Disclosure and Accountability, issued by CPA in conjunction with the Carol and Lawrence Zicklin Center at The Wharton School.

MOST TRANSPARENT COMPANIES: According to the Index, **57 companies** in the S&P 500 received the highest scores for political disclosure and accountability of 90 percent or above, up from **50 in 2017 and double the 28 companies identified in 2015**. These 57 "Trendsetter" companies span all sectors of the U.S. economy. In addition, three companies received scores of 100 percent, up from one in 2017.

TOP TIERS FOR SUNLIGHT: There are more S&P 500 companies with disclosure and accountability policies and practices that scored in the first and second tiers (100 percent to 60 percent), a total of 196 compared to 174 in 2015.

IMPROVEMENT OVER TIME: Because of turnover in companies belonging to the S&P 500, 414 companies have remained constant members since 2015, when this Index first examined the entire S&P 500. The average overall score for these 414 companies has continued to edge up, from 41.6 in 2015 to 49.7 in 2018.

The number of core S&P 500 companies fully disclosing their election-related spending or prohibiting it increased for all five categories of this spending since last year, and since 2015. Similarly, there were increases for core companies having elements of political spending oversight and accountability. Further, the number of these core companies with a detailed policy governing electoral-related expenditures from corporate funds increased to 267 this year from 261 in 2017 and 225 in 2015.

A yearly benchmarking study launched in 2011, the Index is a helpful resource for shareholders, journalists, academics and business leaders interested in finding out which public companies are best and worst at transparency. The Index has gained widespread acceptance in an era of surging political spending and controversy over anonymous “dark money” contributions.

“I can’t remember a more volatile mid-term election season. Companies that spend political money in this climate are taking a risk of consumer blowback or even boycotts,” said Bruce Freed, CPA president. “The new Index shows how companies are managing the risk through a voluntary approach to corporate political disclosure, or in some instances, they’re abstaining from spending political dollars.”

“We’ve seen a strong correlation between shareholder engagement and higher company scores for political disclosure and accountability,” Freed added. “We will work with partner organizations to engage more companies to endorse sunlight in the year ahead.”

“This is a definitive win for the idea that well-aligned incentives can drive successful corporate self-regulation in some companies,” according to William S. Laufer, Director of Wharton’s Zicklin Center. “And their success is that much more notable at a time of significant regulatory retrenchment. That said, no matter how far we have come, it is still fair to say that the road to corporate political transparency remains long and winding.”

Data from the 2018 Index, which is based on a survey of information publicly available on company websites, will be added to the TrackYourCompany.org database maintained by CPA. Here are key details and other central findings from the 2018 Index:

TRENDSETTER COMPANIES: Receiving a first-place rating of 100 percent for 2018 are Becton, Dickinson and Co., Edwards Lifesciences Corp., and HP Inc. The other trendsetters are Edison International; International Paper Corp.; McKesson Corp.; Noble Energy Inc.; Northrop Grumman Corp.; PG&E Corp.; Sempra Energy; State Street Corp; Walgreens Boots Alliance Inc.; Alphabet Inc.; Capital One Financial Corp.; Microsoft Corp.; United Parcel Service Inc.; Unum Group; Visa Inc.; Altria Group In.; Ameren Corp.; American International Group Inc; Exelon Corp.; Express Scripts In.; Gilead Sciences Inc.; Host Hotels & Resorts Inc.; Intel Corp. JPMorgan Chase & Co.; Kellogg Co.; Norfolk Southern Corp.; Union Pacific Corp.; United Technologies Corp.; Wells Fargo & Co.; AFLAC Inc.; Apache Corp.; Bank of America Corp.; Intuit Inc.; Symantec Corp.; Bank of New York Mellon Corp.; Biogen Inc.; Bristol-Myers Squibb Co.; CVS Health Corp.; Dominion Energy Inc.; General Mills Inc.; Morgan Stanley; Navient Corp.; Tiffany & Co.; U.S. Bancorp; AbbVie Inc.; Boeing Co.; Celgene Corp.; Coca-Cola Co.; Hartford Financial Services Group; Johnson & Johnson; Merck & Co. Inc.; Prudential Financial Inc.; Qualcomm Inc.; and, Salesforce.

BASEMENT-DWELLERS AND BACKSLIDERS: The 2018 Index data show 62 companies from the S&P 500 residing solidly in the basement (with scores of zero). Fourteen companies backslid with overall scores declining 10 points or more. They are Waters Corp., Lowe's Companies, Kinder Morgan, CSX, Boston Scientific, Valero Energy, Eversource, eBay, Emerson Electric, Masco, Mondelez International, FMC Corp., Acuity Brands, and IDEXX Laboratories. Six companies that had reached disclosure agreements in the past failed to make any disclosure. They are PulteGroup, Kroger, Boston Scientific, CSX, Delta Air Lines, and FMC Corp.

[The 2018 CPA-Zicklin Index is available by clicking here.](#)

CPA is a non-profit, non-partisan organization created in November 2003 to bring transparency and accountability to political spending. The Zicklin Center for Business Ethics Research at The Wharton School sponsors and disseminates leading edge research on critical topics in business ethics.

To learn more about the Center for Political Accountability visit www.politicalaccountability.net. To learn more about the Zicklin Center for Business Ethics Research visit <https://zicklincenter.wharton.upenn.edu/>.

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