

Corporate political spending the big issue for proxy season – As You Sow

Proliferation of shareholder resolutions since Citizens United

by Daniel Brooksbank | February 28th, 2012

Companies' spending on political contributions and lobbying has emerged as the big issue for shareholder resolutions in the forthcoming US proxy voting season, according to an authoritative preview from advocacy group [As You Sow](#).

"The headline issue for the 2012 proxy season is political spending," the report says. The focus this year has moved on from election spending to a "big new push" on lobbying.

"Companies are providing more oversight and disclosure of their political spending, but the investor appetite for more is huge, evidenced by both high votes and the sheer number of proposals," the report adds.

The 84-page study is a collaboration between [As You Sow](#), research firm [Sustainable Investments Institute](#) (Si2) and [Proxy Impact](#), the proxy voting service founded by Michael Passoff.

Nearly a third of the shareholder resolutions refer to concerns about corporate political spending, lobbying, and the influence of corporate money on government policy, says [As You Sow](#) Chief Executive Andrew Behar.

"Every year the resolutions reflect a snapshot in time, the zeitgeist of the day – and surely the Supreme Court Citizens United case has had an impact on corporate influence and power that shareholders are reacting to," Behar says.

There are 47 resolutions from the Center for Political Accountability on campaign spending and another 40 about lobbying coordinated by Walden Asset Management and the American Federation of State, County, and Municipal Employees (AFSCME).

Trillium Asset Management and Green Century Capital Management are proposing avoiding campaign spending altogether, at three companies. NorthStar Asset Management has expanded its request for advisory votes on political spending at seven companies.

The report acknowledges that companies have been quite willing to respond to demands for more oversight and disclosure – but says large swaths of the financing picture remain obscured. Direct contributions can be uncovered and more companies are now producing voluntary reports on some spending. "Yet comprehensive information is simply not available on how much money companies may be spending through intermediary groups" ahead of the Presidential election. "The confluence of high political stakes and big quantities of cash holds the promise of a game-changing influence scandal that has yet to break," [As You Sow](#) argues.

It cites a new report from Bruce Freed and Karl Sandstrom of the Center for Political Accountability called [Dangerous Terrain](#). "The very practices of Watergate – corporate cash being funneled secretly to a campaign – are now on full, legal display," Freed and Sandstrom warn.

Apart from the headline focus on political spending, investors are also putting down a total of 117 resolutions on environment and sustainability. Other key areas include mortgage foreclosures, board diversity and labour and human rights.

Another aspect of the upcoming proxy season could be an "occupy the annual meeting" movement similar to Occupy Wall Street.