

Topline

GOVERNANCE

Show Us The Money

Shareholders are pressuring companies to reveal their political contributions.

With seven months remaining before the November elections, some investors have already expressed themselves politically. Through the end of February, nearly one-third of shareholder resolutions filed for the current annual-meeting season asked companies to reveal more about their campaign spending and lobbying, according to a report released by **As You Sow**, a corporate responsibility advocacy group.

Those shareholders have a prominent regulator on their side. Commissioner Luis Aguilar of the Securities and Exchange Commission says the agency should require companies to disclose their political outlays. "It is the commission's responsibility to...ensure that investors are not left in the dark when their money is used without their knowl-



edge or consent."

The SEC has received requests to create a disclosure framework from various constituents, including businesses, state treasurers, and academics. Last August, for example, 10 law professors sent a petition to regulators that has since been signed by thousands of people.

Some states do require certain disclosures from companies that lend financial support to state and local measures, but there is no federal mandate for such information. Nonetheless, many large companies have become more transparent about their practices in recent years. Just over half of S&P 100 companies share information about their political spending on their

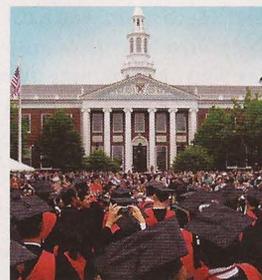
websites, according to the Center for Political Accountability. And early evidence suggests that *Citizens United v. Federal Election Commission*, the 2010 U.S. Supreme Court decision that allows unlimited contributions to political action committees (but not directly to political candidates), has not sent such spending up. At least not yet.

But some investors are asking companies to stop contributing to campaigns altogether (3M, Target, and Bank of America have received such requests) and to allow shareholders to vote on companies' policies for political spending (such proposals have been submitted to Chubb, Google, and Home Depot). **SARAH JOHNSON**

STAT OF THE MONTH

46%

Decline in the number of new Harvard graduates who went into finance between 2008 and 2011*



*In 2002, 28% of the employed seniors in Harvard's graduating class went into finance; by last year the figure had dropped to 17%.

PUTTING SOME "CURE" IN PROCUREMENT

New research from Bain & Co. finds that as commodity prices become more volatile (and generally more costly), companies are feeling the strain, not only on their bottom lines but on their ability to develop effective strategies. A recent survey finds that:

91%

agree that "We are seeing increased volatility in our input prices."

53%

say that such volatility has "constrained our ability to invest in key strategic parts of our business."