



The Impact of Social Issues on PACs

Doug Pinkham
President, Public Affairs Council
dpinkham@pac.org

Hannah Wesolowski
Associate Director, Public Affairs Council
hwesolowski@pac.org

Taking a Stand on Social Issues

On Leadership | Analysis

Corporate America's embrace of gay rights has reached a stunning tipping point

By Jena McGregor April 5

Harvard
Business
Review

SUSTAINABILITY

Business Is Taking Action on LGBT Rights. Will Climate Change Be Next?

by Andrew Winston

FORTUNE INSIDERS LEADERSHIP

Why Apple's Tim Cook and Other CEOs Are Speaking Out On Police Shootings

COMMENTARY by Aaron K. Chatterji JULY 16, 2016,

JUL 21, 2016 @ 07:18 PM 398 VIEWS

The Little Black Book of Billionaire Secrets

NBA Pulling 2017 All-Star Game From Charlotte Shows Sports Leagues Lead On LGBT Issues

Taking a Stand (Post-Election)

THE WALL STREET JOURNAL.

Home World U.S. Politics Economy Business Tech Markets Opinion Arts Life Real Estate

MARKETS | HEARD ON THE STREET

Politics and Business Don't Mix in Trump's America

Companies and executives used to be able to air their political views—not any more

On Leadership

Boycotts. Backlash. Breitbart: U.S. companies confront a volatile political climate

Ford's CEO Criticizes President Trump's Muslim Travel Ban

Reuters

Goldman CEO says Trump travel ban 'not a policy we support'

By Kevin Dugan January 30, 2017 | 9:40am | Updated

f t ...

New Research from the Council



Taking a Stand: How Corporations Speak Out on Social Issues

Introduction

Major corporations are facing growing pressure to weigh in on social issues — and this pressure is coming from both internal and external sources.

In July 2016, the nonpartisan Public Affairs Council conducted a survey of major corporations to better understand how and why companies speak out on social issues such as discrimination, environmental sustainability, human rights and access to quality education. This study examines the sources of stakeholder pressure on companies, which issues companies are advocating for and what specific actions they have taken.

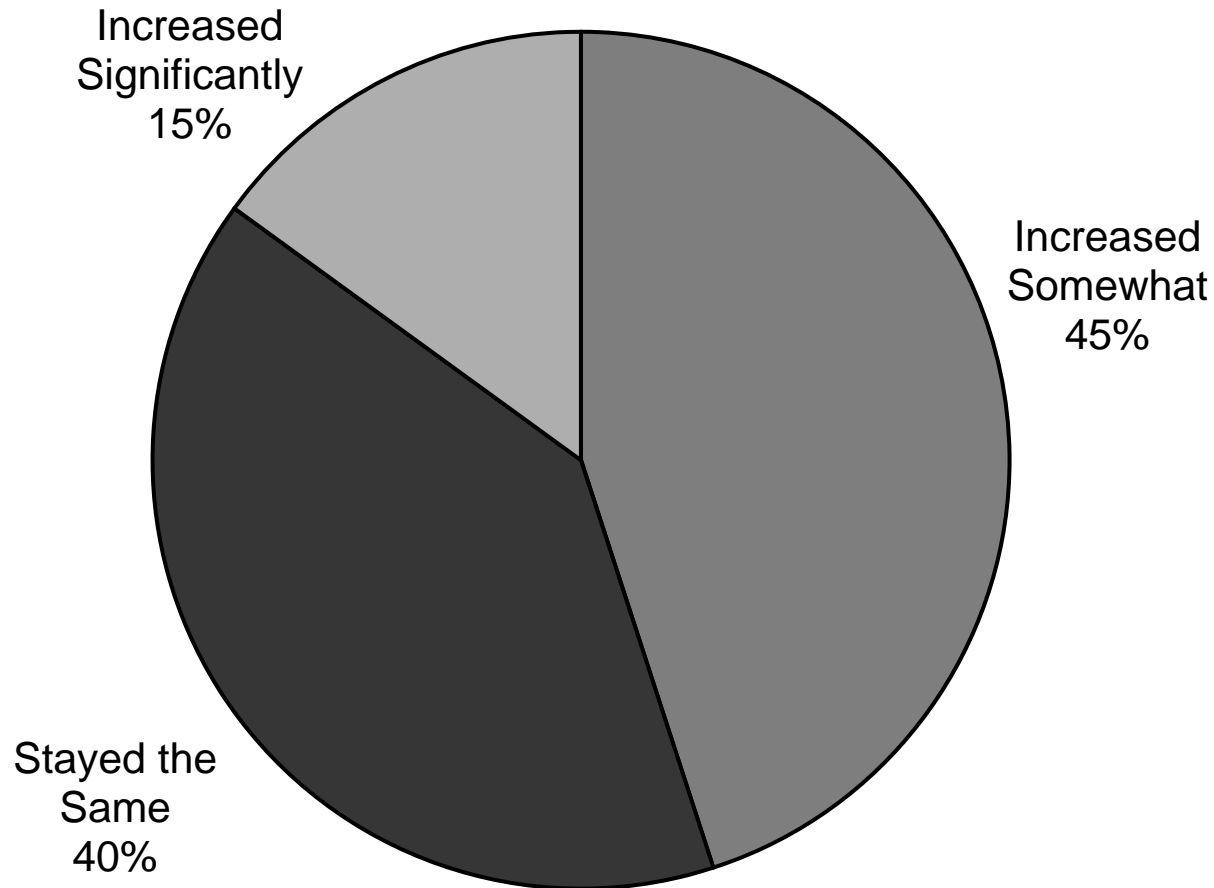
Key Findings

- Over the last three years, 60 percent of responding companies have experienced rising stakeholder pressure to get engaged in social issues such as discrimination, sustainability, human rights and education. None of the respondents reported that pressure had decreased.
- Seventy-four percent of respondents said they expect pressure to get involved in social issues will increase over the next three years.
- Stakeholder groups with the most influence over a company's decision to get involved are senior management, employees and customers.
- Expectations for involvement are highest among companies with more than \$15 billion in annual revenue. More than three-quarters of these firms said they experienced increased pressure to weigh in on social issues. Eighty-six percent of large companies expect it to increase further over the next three years.
- High percentages of companies said they were most involved recently in efforts to protect the environment (74%); end discrimination/restrictions based on sexual orientation (59%), gender (54%), gender identity (52%) or race (50%); improve access to quality education (59%); and protect human rights abroad (49%).
- Publicly traded corporations were more likely than private companies to experience growing pressure to engage, and they were more likely to be involved in efforts to support various social issues.

- Online poll conducted of 92 corporate public affairs executives
- Released in August 2016

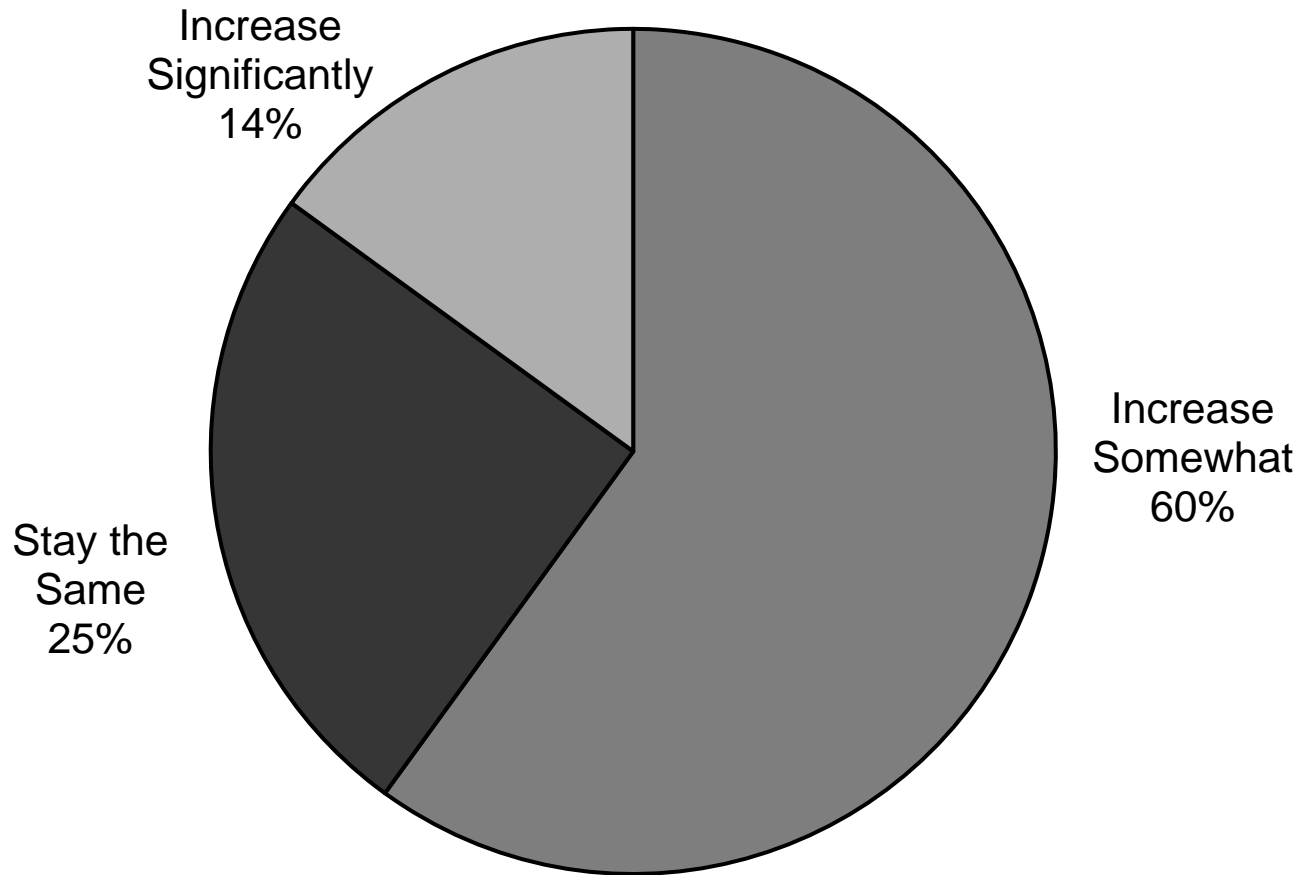
Pressure to Engage on Social Issues

Public Pressure Over Last Three Years

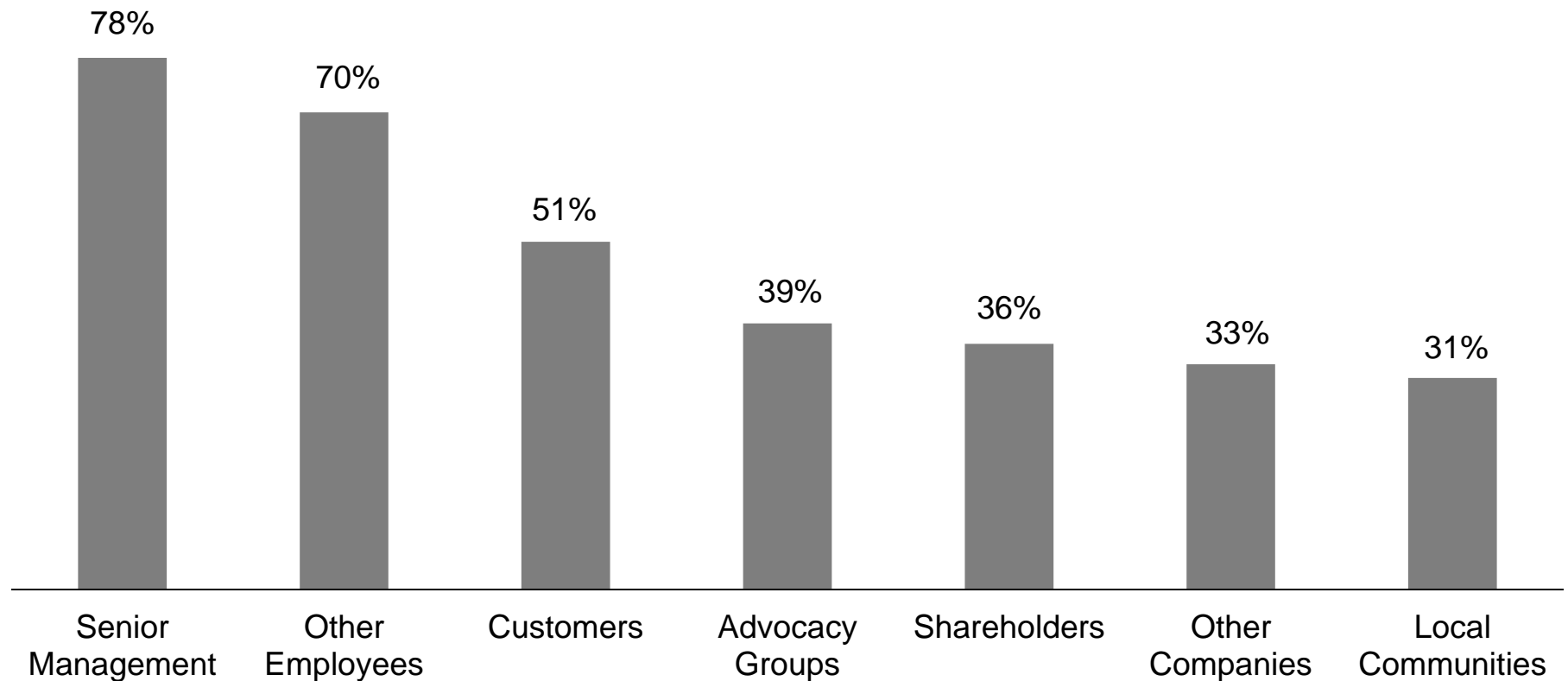


Pressure to Engage on Social Issues

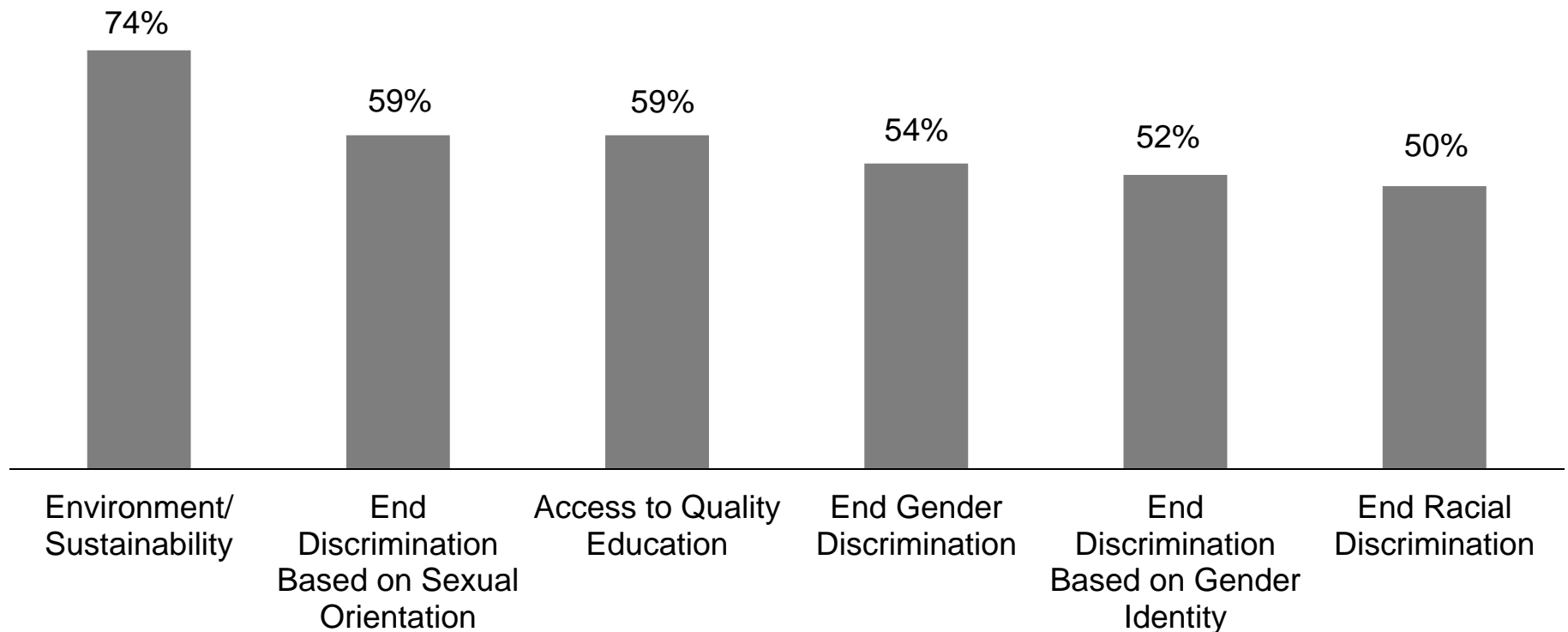
Public Pressure Over Next Three Years



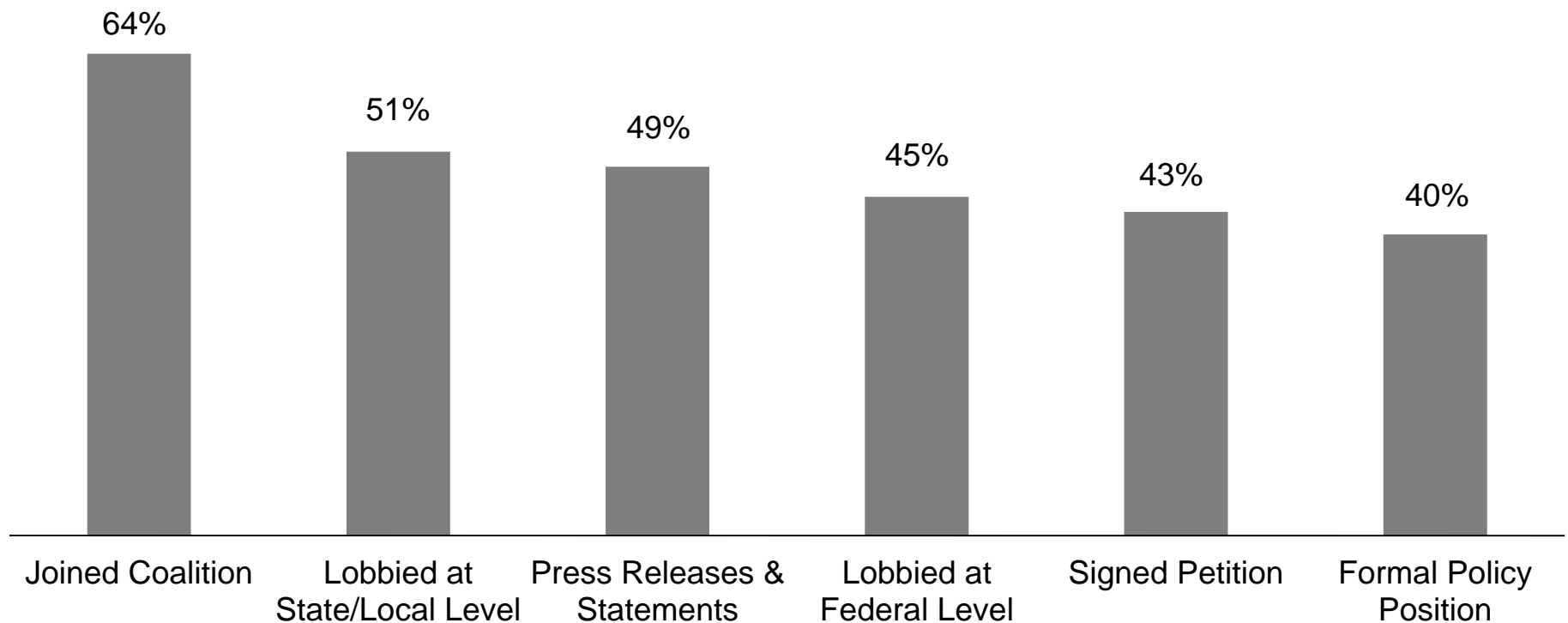
Where Pressure is Coming From



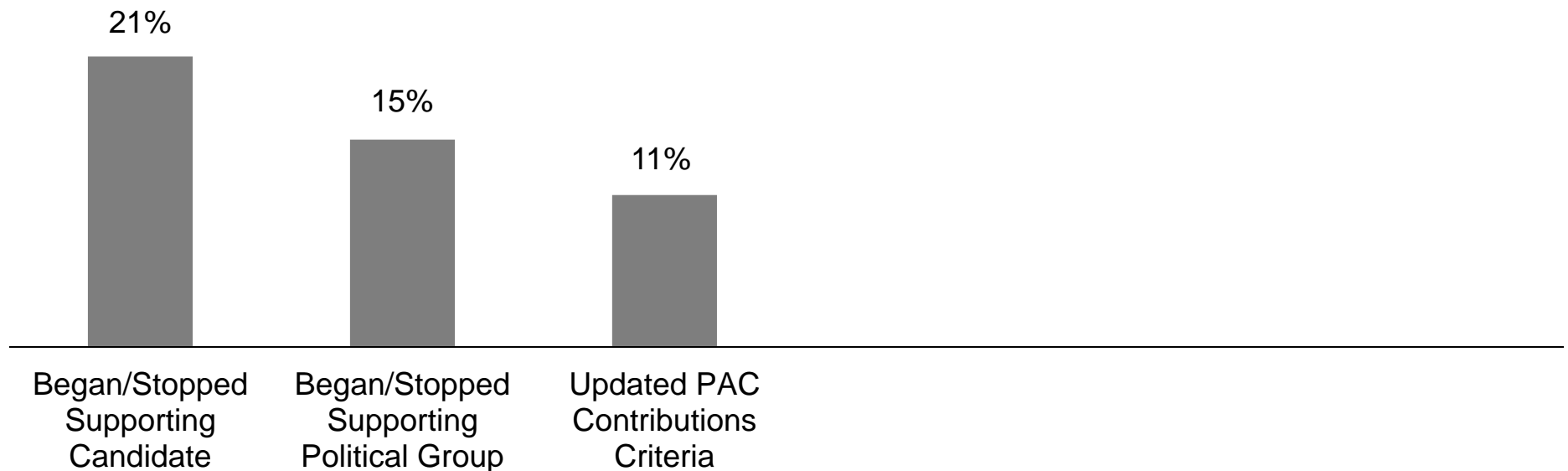
Social Issues Gaining Recent Support



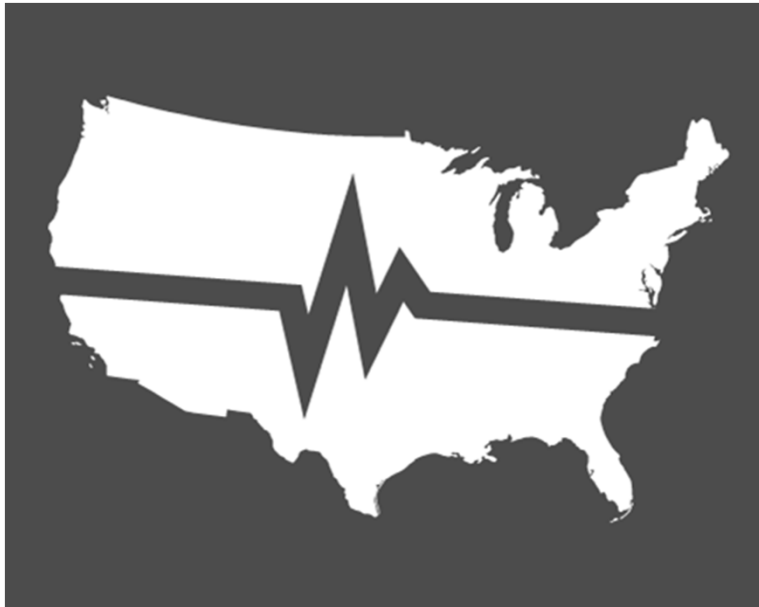
Most Common Advocacy Strategies



Advocacy Strategies Affecting PACs



New Research from the Council

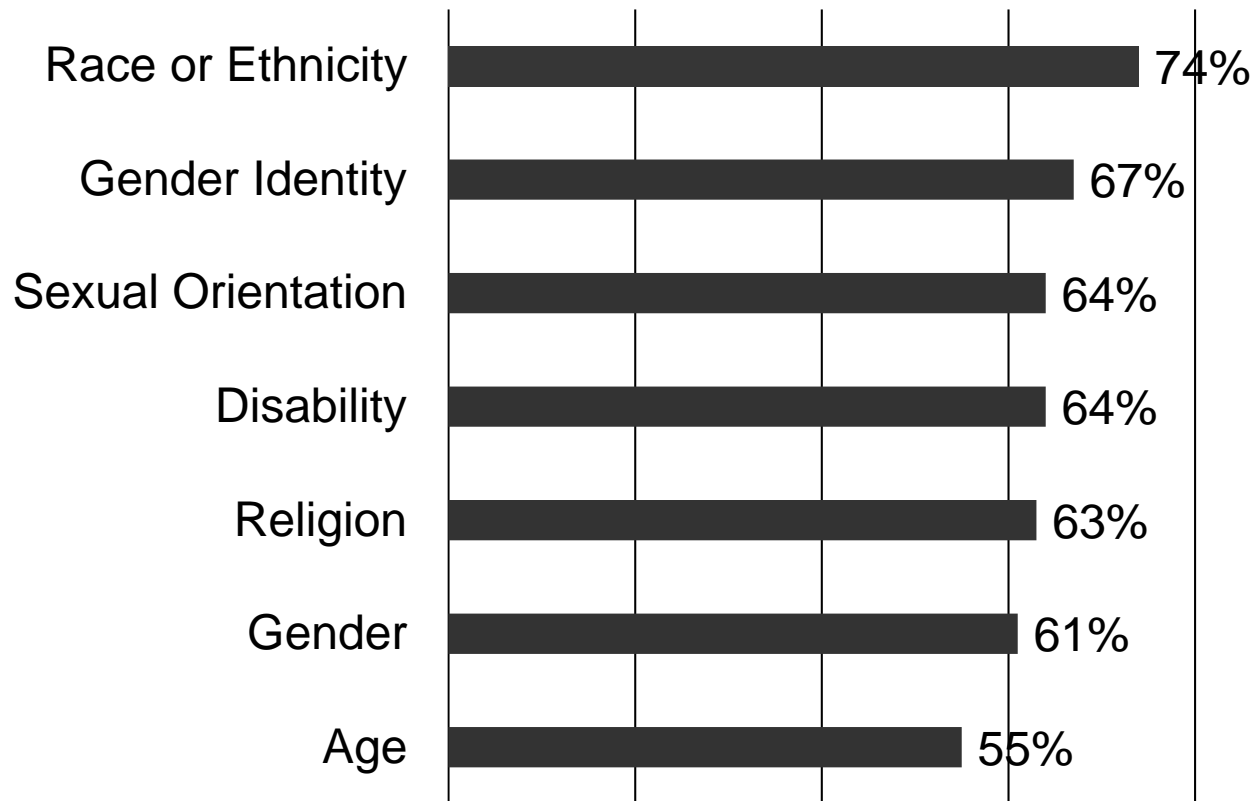


- Telephone poll of 1,000 Americans
- September 2016
- Conducted by Public Opinion Strategies

2016 Public Affairs Pulse Survey

How Americans View Discrimination

Percentage Saying Discrimination is Serious or Very Serious Problem



Is Business Playing a Positive Role?

Ranked By Positive	Positive	Negative	No Difference
Disability	34%	21%	44%
Gender	28%	22%	48%
Race or Ethnicity	27%	24%	47%
Sexual Orientation	26%	23%	47%
Gender Identity	20%	29%	46%
Religion	18%	19%	59%
Age	18%	27%	53%

Opinions of Firms That Take Action

Ranked By Net Difference	More Favorable	Less Favorable	No Difference
Disability	69%	5%	26%
Race or Ethnicity	62%	5%	32%
Age	60%	5%	34%
Gender	60%	6%	33%
Sexual Orientation	56%	7%	36%
Religion	55%	7%	37%
Gender Identity	53%	10%	36%

What This All Means

1. Many employees expect their companies to be engaged in social issues.
2. As a business decision, many firms have decided to speak out on issues like discrimination.
3. Yet many business anti-discrimination efforts go unnoticed.
4. Most Americans say they would favor additional corporate steps to end discrimination in all major forms.

New Business Challenges

1. How do you manage shifting issues and expectations?
2. How do you tie your company to the right causes?
3. How do you manage relationships when your company's views are not popular with major political leaders?
4. How do you manage a PAC when you are caught in the middle?

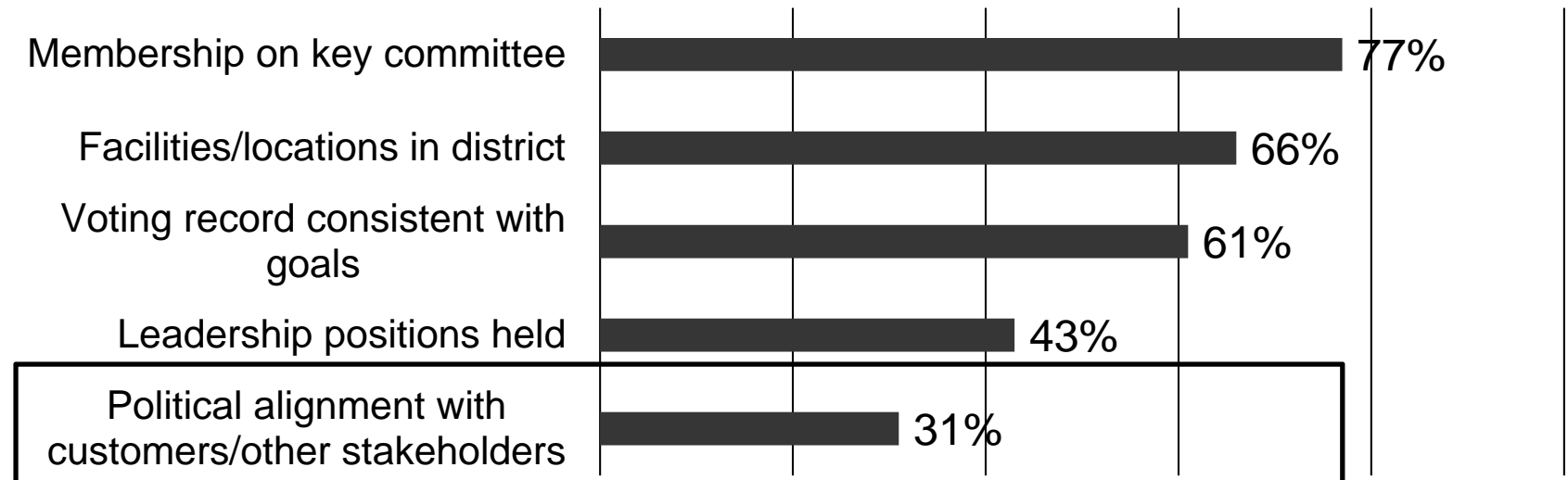
What Should PACs Do?

#1: Talk to Leadership

- Discuss growing trend with:
 - PAC Board
 - Corporate Board
 - Senior leaders
- Flag activist or media interest
- Discuss ideological vs. pragmatic approach
 - Are issues *business* or *social* to your company?
 - What are the top ones that affect your company and impact “license to operate”?

#2: Have a Process You Can Explain


- Mission of the PAC and PAC contributions
- Reasons for support
 - *2015 PAC Benchmarking Report – Top Criteria for Contributions:*



- **Political alignment up from 16% in 2011*

- Decision-making process
- Key decision makers

What Are Your Criteria?




Individuals & Families ▾ Employers & Organizations ▾ Health Care Professionals

Contributions criteria

We look to members of our Contributions Committee to help us select candidates to support. Then we use the following criteria when making decisions:

- The candidate's understanding and support of the free enterprise system
- The candidate's need for Aetna Political Action Committee (PAC) assistance
- The presence of Aetna employees, facilities or resources in the candidate's district or state
- The candidate's demonstrated leadership or potential for leadership
- The candidate's committee assignments and seniority within Congress or state government
- The candidate's involvement with and position on issues affecting health care and related group benefits
- The likelihood of the candidate's election success
- Recommendations by Aetna PAC members

Each contribution goes through a legal review to ensure compliance with federal and state regulations.

 A BULLSEYE VIEW

company careers corporate responsibility

PAC contributions

TargetCitizens PAC, which is funded through the voluntary contributions of eligible team members, makes contributions in a bipartisan manner to federal candidates and organizations. Target's Policy Committee approves the factors to be considered when making contribution decisions. These factors are:

- The interests of our guests, team members, shareholders and other stakeholders
- Leadership positions
- Political balance
- The interests of our guests, team members, shareholders and other stakeholders

#3: Proactively Plan Your Response

- Transparency decisions
 - Response to media, activist groups
- Explaining it to eligibles
 - How does the PAC prioritize which issues are within decision-making framework?
 - Business vs. ideological issues
 - Issue priorities may shift over time
- Game out the who, what, when of a response



The Impact of Social Issues on PACs

Doug Pinkham

President, Public Affairs Council
dpinkham@pac.org

Hannah Wesolowski

Associate Director, Public Affairs Council
hwesolowski@pac.org