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New Report Reveals Corporate State Lobbying Disclosure “Black Hole”

Washington, D.C. – A new report from [Sustainable Investments Institute](#) commissioned by Public Citizen reveals the extent to which corporate lobbying at the state level – on everything from environmental regulations to tax policy – goes undisclosed, despite strong investor desire for more transparency.

The report, “[The Corporate State Lobbying Black Hole](#),” examined companies in the S&P 500 between 2015 and 2021 and found that, while state lawmakers and regulators nationwide have faced influence efforts backed by billions of dollars of expenditures, almost no major U.S. companies provide their investors with information about how much they spent to lobby state governments: 98 percent of S&P 500 firms do not disclose state-specific lobbying totals, while 97 percent of the same companies do not report a combined or aggregate spending total for state lobbying.

The report also found that investors have shown strong, sustained support for more disclosure about corporate lobbying expenditures. Since 2010, investors have filed nearly 600 shareholder resolutions asking companies to provide more information about how they oversee lobbying activities directed at federal, state and local government, and how much they spend.

“Shareholders and the public deserve to know how and where corporations are using company funds to influence politicians and impact government actions,” **said Jon Golinger, Democracy Advocate at Public Citizen.** “As weak as federal corporate lobbying disclosure is, this report reveals that state-level corporate lobbying disclosure is even worse. This lack of transparency means that investors may be deprived of critical information about a company’s behind-closed-doors lobbying activities that could run contrary to a company’s publicly stated positions and create reputational harm or pose other investment risks.”

Yet current legal mandates are a black hole. The report looked at requirements affecting companies in a subset of states—the 15 that have passed anti-ESG legislation as of June 2023—and found a patchwork of information regarding how corporations and issues are identified and classified, making it difficult to collect lobbying information in a format that enables researchers to aggregate and analyze it.

“Companies have taken some baby steps to beef up lobbying oversight but we still just don’t know what they spend,” **said Heidi Welsh, Sustainable Investments Institute’s executive director.** “It’s a giant ‘known unknown.’”

A key group of influential U.S. Senators [have asked](#) the Securities and Exchange Commission (SEC) to mandate fuller disclosure of corporate issuers' approach to political influence by way of lobbying. Senate Banking Committee Chair Sherrod Brown (D-Ohio) and Senators Elizabeth Warren (D-Mass.), John Fetterman (D-Pa.), Tina Smith (D-Minn.), and Jon Tester (D-Mont.) sent a letter to SEC Chair Gary Gensler on November 15 urging the SEC to use its authority to require reporting to investors on issuers' lobbying strategy, how much they spend on lobbying, and any material risks related to lobbying strategy and spending. "In the absence of strong lobbying disclosure rules," wrote the senators, "investors are largely kept in the dark regarding the policy campaigns they are indirectly funding."

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The Sustainable Investments Institute (Si2) is a non-profit organization based in Washington, D.C., conducts impartial research and publish reports on organized efforts to influence corporate behavior on social and environmental issues. Si2 closely follows shareholder resolutions proposed by investor activists, analyzing changing reform campaigns and identifying key points of contention in reports that help investors to make informed, independent decisions about their votes and views on these proposals. We also publish related reports for the public on selected topics. More at www.siinstitute.org.

This report on state lobbying was commissioned by Public Citizen, the national nonprofit advocacy organizing the represents consumer interests on a wide range of issues. More at www.citizen.org.