

Guardians of Democracy? Big Business and Campaign Contributions After January 6

Amy Meli and Florian Gawehns

University of Maryland, College Park

Corporations use financial contributions to gain access to high-level policymakers. How do they react when those officials attack democratic norms? We argue that businesses are sensitive to norm violations because they need to balance their economic interests with demands for accountability made by employees and other stakeholders. We find evidence for this by analyzing contribution data from Fortune 500 PACs to Republicans after the January 6 insurrection. Those who supported Donald Trump’s falsehoods about a “stolen election” in Congress received fewer aggregate contributions from Fortune 500 company PACs in 2021 and 2022. We also find that Fortune 500 companies continue to contribute more to those in congressional leadership positions, committee leadership, and to members of key committees. These findings suggest that corporations are indeed responsive to concerns about democracy in the United States, offering a reassuring picture of democratic resilience after January 6.

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On January 6, 2021, 139 Republican members of the House of Representatives voted to object to the certification of the 2020 presidential election results (henceforth, we will refer to this group as “objectors”). Given that these votes took place a few hours after the violent insurrection at the U.S. Capitol, the business community reacted with dismay. In a statement after this assault on the peaceful transfer of power, National Association of Manufacturers President Jay Timmons criticized Republicans stoking Trump’s claims of voter fraud, which led to both the insurrection and the vote to overturn election results, saying, “Throughout the whole disgusting episode, Trump has been cheered on by members of his own party, adding fuel to the distrust that has enflamed violent anger” (National Association of Manufacturers, 2021). America’s largest corporations followed suit. During the period after January 6, 38% of Fortune 500 company PACs announced they would temporarily suspend PAC operations, and many other companies issued public statements or unofficially suspended PAC operations without formally announcing a pause. Such efforts led to lower levels of financial support among corporate PACs in the first year of the 2022 election cycle, especially among corporations with a large share of employees in the Democratic party (Li and Di Salvo, 2022).

However, over the course of the 2021-2022 election cycle, most PACs resumed contributions to at least some candidates. During the 2021-2022 election cycle, 70% of Fortune 500 PACs made at least one contribution to the re-election campaigns of at least one of the objectors, compared with 82% in the 2018 election cycle. This project focuses on how support for overturning the 2020 election results influences the relationship between major companies and Republican members of Congress. Whereas PACs aligned with ideological interest groups use contributions to support candidates that represent their values, business-oriented groups tend to use contributions to gain access to members of Congress they hope to influence (Powell and

Grimmer, 2016). We argue that businesses try to balance the competing demands for access to policymakers with stakeholder demands to hold lawmakers accountable for their attacks on U.S. democracy. Business groups navigate this trade-off by advancing a company's political interests through continued relationships with high-level policymakers while also decreasing their contributions to those who undermine democratic norms. Businesses strike this balance because they are sensitive to the preferences of key stakeholder groups – including shareholders and company employees, especially those who are eligible to give to the PAC. PACs have faced similar decisions in the past when politicians violated congressional and/or professional norms, such as whether to contribute to candidates undergoing ethics investigations, but those have been limited in scope. January 6, however, provides a unique opportunity to observe this trade-off on a broader scale.

January 6 represents a grave disruption of democratic norms, defined as "... informal rules that, though not found in the constitution or any other laws, are widely known and respected" and that serve as "soft guardrails of democracy" (Levitsky and Ziblatt, 2018, p. 100). As a highly salient event of historic proportions, we expect companies to decrease their PAC expenditures to those who objected to the 2020 election result. We examine these questions by using Fortune 500 Company PAC contributions to Republicans in the wake of the January 6 insurrection. We chose Fortune 500 companies for three primary reasons: the companies use access-oriented strategies to advance their public policy agendas, PACs pay close attention to their public image and want to be perceived as a socially responsible "corporate citizen" (Gawehns and Meli, 2022), and these large corporations have the financial resources to contribute to objectors if they would like to do so. The size of Fortune 500 firms makes it likely that employees, shareholders, and other stakeholders represent a cross-section of the national

electorate and their political preferences. In addition, they tend to have large PACs that can afford to make contributions to a variety of candidates. During the 2022 election cycle, 285 (88.51%) of the 322 active Fortune 500 PACs raised more than \$50,000. The middle 50% of Fortune 500 PACs raised between \$131,492 and \$796,805, which means that most Fortune 500 PACs are able to contribute to a variety of candidates. This means that in our analysis, a non-contribution to an objector represents a choice rather than a financial constraint. If we are correct about the trade-offs businesses face, then we should see Fortune 500 companies adjust their contribution giving away from those who threaten democracy.

We find that after January 6, Fortune 500 PACs responded to pressure by stakeholder groups by reducing their contributions to those Republicans who supported Trump's claims in Congress. Results reveal that during the 2022 election cycle, a Republican member of Congress who voted to uphold the 2020 election results receives, on average, nearly \$180,000 more in Fortune 500 PAC contributions than someone who voted to overturn. In fact, the financial "punishment" for objectors is larger in magnitude than for those retiring from Congress. We also find that party and committee leadership positions remain strong predictors of PAC contributions. However, the relationship between leadership and PAC contributions is weaker for leaders holding the same positions during the 2018 election cycle, the most recent off-year cycle following a presidential election, especially after controlling for objector status.

These results have important implications for our understanding of the role of big business in safeguarding democracy. We show that while businesses continue to value access to high-level lawmakers, they also bend to internal and external pressure to adjust their campaign finance activities when those in power threaten democratic norms. Rather than giving to any member of Congress that can help influence legislative outcomes, Fortune 500 companies are

willing to risk access to key legislators to satisfy demands from employees and shareholders, who see the events around January 6 as not just another ethics violation, but as a grave threat to American democracy. The conventional advantages of institutional positions of power in attracting contributions are offset by lawmakers' refusal to certify the election results, suggesting that firms balance the trade-off between access-oriented pragmatism and ethical principles held by key stakeholders. In doing so, corporations act not only in their economic interests by gaining access to politicians through political donations, but also in the interest of democracy by decreasing their contributions to those who violate democratic norms. In other words, major companies are supporting responsive democracy.

Why Do PACs Contribute to Candidates for Congress?

Political scientists have long debated the value of PAC contributions for interest groups, with earlier studies examining whether PAC contributions represent a *quid pro quo* by measuring the effect of PAC contributions on voting patterns in Congress (Welch, 1980; Grenzke, 1989), producing mostly negative or mixed results (Baldwin and Magee, 2000; Wawro, Gregory J., 2001; Roscoe and Jenkins, 2005). An alternative explanation for interest groups' support for congressional candidates posited that PAC contributions are a way to gain access to members of Congress (Sorauf, 1992; Wright, 2002).

As the literature came to argue that it was access not votes that interest groups cared about, scholars shifted their attention to examine the specific ways access serves corporate goals. For example, Hall and Wayman (1990) find that PAC contributions influence issue involvement at the committee level more than they influence floor votes. In addition, PAC contributions are more effective when the company has a presence in the district of the legislator receiving the contribution. Snyder (1992) characterizes PAC contributions as "long-term investments"

facilitating an interest group's access to incumbent members of Congress, providing empirical evidence for the consistency of support for specific lawmakers. PAC contributions also help legislators identify which groups are most likely to provide valuable information (Wright (2002)). As a result, corporate actors who value access engage in one of two strategies: contributing to members of Congress with whom they share interests to reinforce commonalities and contributing to those with whom they have little in common in order to establish new common ground (Wright, 2002).

Those in the business community in particular use access-oriented strategies to accomplish legislative and regulatory goals, while other groups contribute in order to elect ideological allies (Fox and Rothenberg, 2011). Those who are access-oriented are more likely to give to incumbents compared to ideologically-motivated groups (Fournaies and Hall, 2014). Corporate actors are not primarily concerned with election outcomes, but with access to the legislative process once candidates take office (Powell and Grimmer, 2016), suggesting a clear distinction between ideological and access-oriented goals among PAC contributors. By working with those in power – regardless of political differences – most businesses interests pursue a “pragmatic” approach to campaign contributions, not an ideological one.

Additional studies found evidence that lobbyists align their issue coverage with legislators with whom they have built relationships even after the legislator switches committee assignments, because those relationships are often seen as more valuable than issue expertise itself (Bertrand, Bombardini and Trebbi, 2014). Kalla and Broockman (2016) provide further evidence for relationship-building in that interest groups are more likely to get meetings with legislators to whom they make PAC contributions. In addition, members of Congress who are connected to the same lobbyists are likely to have similar voting records (Victor and Koger

(2016). In sum, there is considerable evidence that long-standing relationships can help facilitate access to key legislators, which strengthens the idea that interest groups in general, and big business in particular seek, and cultivate access to legislators in order to promote their policy goals (Bauer, Pool and Dexter, 1964).

While previous studies provided evidence for an access-oriented connection between big business and members of Congress through PAC contributions, few have considered the potential consequences of undesirable behavior by lawmakers for corporations' ability to continue their pragmatic approach to lobbying and political contributions. In the next section, we argue that businesses act as a check on those who violate basic norms of American democracy because they are sensitive to demands of key stakeholders who have a major impact on PAC contributions.

The Limits of Pragmatism: Big Businesses & Norm Violations

To examine whether corporate PAC strategies are sensitive to attacks on democracy, we focus on Fortune 500 companies that have federal PACs making contributions to candidates for the U.S. House of Representatives. These actors see contributions primarily as an entry ticket to the halls of Congress. We argue that businesses try to balance this access-based strategy with pressures from interest group stakeholders, in particular shareholders and employees who are eligible to contribute to the PAC – including executives and the lobbyists themselves.

Previous studies have shown that stakeholders and organized interests influence each other, for example by using political contributions as a signal to voters, similarly to the way some groups use endorsements (Ainsworth and Sened, 1993). In this way, the organizations behind PACs aim to influence their members' support for candidates for office. This relationship can work in the other direction as well, with interest groups responding to the desires of their

members in order to maintain internal support for the group's political programs. As with other interest groups, businesses aim to minimize potential conflicts between members and the organization's goals and actions.

We argue that corporate PAC contribution strategies are sensitive to strongly held preferences of employees and shareholders, especially those who are eligible to give to the company's PAC (see also Li, 2018). Federal law establishes that corporate PACs, technically known as Separate Segregated Funds, may solicit contributions from the company's executive and administrative personnel, which typically includes executives, managers, administrative employees, and professional employees, including the government affairs team (Federal Election Commission, 2022). PACs rely on voluntary donations from this group of employees in order to sustain the PAC and, as a result, these employees' preferences are taken into account when the PAC makes contribution decisions.

We can observe how corporate PACs respond to concerns of PAC eligible employees. According to a recent survey of corporate PACs, 85-90% maintain either formal or informal contribution guidelines as part of their PAC bylaws in order to provide transparency about their decision-making processes (Public Affairs Council, 2021). Of the groups that have contribution guidelines, 63 percent list character, ethics, or reputation as criteria for PAC contributions (Public Affairs Council, 2021). Traditionally, cases of personal corruption have dominated considerations of potentially undesirable behavior, but January 6th brought attention to the violation of democratic norms as another form of problematic conduct. After January 6, a number of PACs placed new restrictions on contributions based on support for democratic principles or integrity-related criteria (Public Affairs Council, 2021).

In addition to constraints written into bylaws, many PACs use transparency as an accountability tool. Many PACs publish annual reports that contain lists of the contributions the PAC makes to all candidates (Public Affairs Council, 2021). Some companies, including Coca-Cola corporation, even publish their contributions on their corporate websites (Coca-Cola Corporation, 2022). These practices were adopted by PAC directors in response to calls for accountability by PAC eligible employees and other stakeholders.¹ These practices demonstrate that employees and shareholders care about the PAC's choices and are involved in the PAC's decision-making and that companies are responsive to their employees' concerns about PAC contributions, providing support for Ainsworth and Sened's (1993) theory of two audiences. PACs operate as a linkage between their principals and government officials, and they aim to balance the demands of both distinct audiences.

In addition to PACs' administrative procedures, we can also observe changes in PAC contribution behavior in response to members of Congress dealing with controversy. For example, former Representative Duncan Hunter was a Republican member of Congress who received heavy support from corporate PACs until he was indicted for falsifying campaign finance records and using political contributions to pay for personal expenses (Thornton, 2018; Open Secrets, 2022) After Hunter was indicted at the end of the 2018 election cycle, PAC contributions dropped precipitously. It is, however, impossible to tell whether the drop occurred due to Hunter's expected resignation from Congress or because of his unethical behavior. A more systematic study is therefore needed.

¹ Personal conversation with the political involvement practice lead at the Public Affairs Council.

January 6: A Case Study in Big Business and Democracy

The events around January 6 provide a high-profile test for our theory of cross-pressured business interests. While controversies involving members of Congress have tended to be isolated incidents, nearly two-thirds of House Republicans voted to object to election results in one or more states, challenging previous individualized views of ethics violations. January 6 presents an unprecedented crisis in the American political system, with high salience for corporations, their employees and shareholders. In addition to intense media coverage, PAC managers and political directors received an extraordinary amount of feedback from eligible employees in the aftermath of January 6. Corporate public affairs departments also handled inquiries from CEOs and other C-suite executives. This pressure, not to mention government affairs managers' own reactions to the insurrection, led to PAC pauses, bans on contributions to objectors, changes to PAC bylaws, and a variety of other new constraints.²

After January 6, PACs faced a trade-off between their desire to represent their members' interests by maintaining contacts with policymakers and stakeholders' aversion to blatant violations of democratic norms such as subverting the trust in elections. Balancing these competing interests meant pausing, reducing, or possibly ceasing contributions to those involved on January 6. A wholesale stop of all contributions would jeopardize the core purpose of campaign contributions, access to lawmakers. However, not reacting to the events would alienate key stakeholders of Fortune 500 companies.

Hypotheses

As a result of these cross pressures, we expect Fortune 500 PACs to maintain their access-oriented strategy, but to limit their contributions to those members of Congress who

² Personal conversation with the political involvement practice lead at the Public Affairs Council.

objected to the 2020 election results. We leverage a cross-sectional analysis for all 2022 election cycle (2021-22) contributions to test our hypothesis.

Hypothesis 1: Objectors will receive less financial support from Fortune 500 PACs compared to non-objectors, all else being equal.

Political science research has established that party leaders receive more financial support than rank-and-file members. This is because having access to House and Senate leadership comes at a premium for businesses seeking to leverage leaders' agenda-setting and policy-making power (Romer and Snyder, 1994). However, we expect objections to the 2020 election results to constrain the extent to which Fortune 500 PACs support leaders. To create a baseline of expected contributions, we will compare contributions during the 2022 and 2018 election cycles, which are both midterm cycles.

Hypothesis 2: Party leaders who voted to object to the 2020 election results will receive less of a financial advantage over rank-and-file legislators during the 2022 election cycle compared to the 2018 election cycle.

Similarly, organizations pursuing an access-oriented strategy will seek involvement from members of key committees (Hall and Wayman, 1990). For the purposes of this study, we designate as "key committees" those identified by Bernhard et al. (2017) – Appropriations, Energy and Commerce, Ways and Means, and Rules. We expect that objections to the 2020 election results will constrain the extent to which Fortune 500 PACs support members of these committees.

Hypothesis 3: Members of key committees who voted to object to 2020 election results will receive less of a financial advantage over rank-and-file legislators during the 2022 election cycle compared to the 2018 election cycle.

We expect leaders of committees, who have more influence over bill contents than rank-and-file members, to receive more support from corporate PACs (Snyder, 1992). A more leadership-centric lawmaking process in Congress has led to a relative decline of lawmaking

activity in committees (Lewallen, 2020), but committee leaders remain important players because they often work with party leadership to move legislation (Volden and Wiseman, 2014; Davidson *et al.*, 2022). We expect that objections to the 2020 election will limit the extent to which committee leaders receive support from big business.

Hypothesis 4: Committee and subcommittee ranking members who voted to object will receive less of a financial advantage over rank-and-file legislators during the 2022 election cycle compared to the 2018 election cycle.

Data and Method

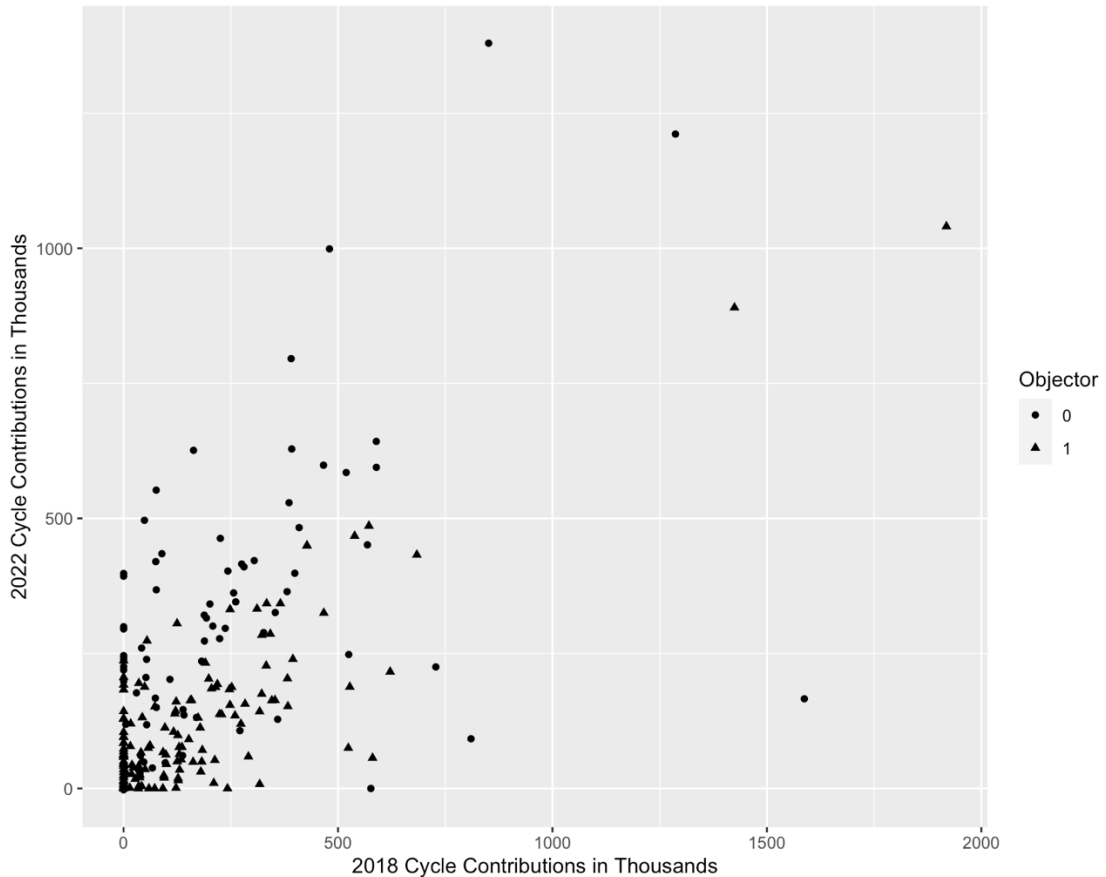
We use contribution data from the 2022 election cycle, which begins in January 2021 and ends in December 2022, to test our hypotheses. This data was collected from bulk files available from the Federal Election Commission (FEC). To test Hypotheses 2, 3, and 4, we also include data from the 2018 election cycle (January 2017 - December 2018) so that we can compare 2022 data to the equivalent first two years following the previous presidential election. Since PACs fundraise based on election cycles and presidential races influence political activity up and down the ticket, 2018 is the best recent cycle to be used as a comparison. It is important to note that Republicans held the majority in Congress in 2017-2018 and that Democrats held the majority in 2021-2022.³

We analyze contributions to a member of Congress's re-election committee, leadership PACs operated by members of Congress, and independent expenditures made by PACs to support members of Congress. We test our hypotheses using OLS regression to identify predictors for financial support by Fortune 500 PACs to Republican members of Congress who

³ For the purposes of this project, we use contributions to Republican members of the House of Representatives. We chose not to include contributions to Senators since there is more variation in objector votes on the House side. In addition, since not all Senators are up for re-election in 2022, some PACs may delay contributions to objectors in the Senate that are not up for re-election this year until future years. In contrast, all non-retiring members of the House of Representatives were on the ballot in 2022.

were in office on January 6, 2021. Our goal is to understand how objections to the 2020 election results – along with access-related variables – influence the total contributions Republican members of Congress receive from Fortune 500 PACs.

Fig. 1: Comparison of 2018 and 2022 Cycle Contributions by Fortune 500 Company PACs



Total Contributions in Thousands: We examine the aggregate amount in thousands of dollars individual Republican members of Congress received from Fortune 500 PACs during the 2021-22 election cycle. For hypotheses 2, 3, and 4, we also include the aggregate dollar amount Republicans received from Fortune 500 PACs during the 2018 election cycle. Including 2018 election cycle data allows for an apples-to-apples comparison of off-year PAC dynamics. The mean contribution amount to Republicans from Fortune 500 companies during the 2022 election cycle is just under \$200,000. The median is \$140,500, indicating that there are a fair number of

outliers at the high end of the distribution. The mean for the 2017-18 election cycle is again just under \$200,000, which includes the 80 Republicans that were not incumbents during the 2017-2018 cycle and received little to no support from Fortune 500 PACs during that period. The median for the 2018 election cycle is \$122,300. A comparison of contributions to candidates in the two cycles are pictured in Figure 1.

Objector: The key independent variable is an indicator variable for Republicans who formally objected to the certification of Joe Biden's victory in Arizona, Pennsylvania, or both during the joint session of Congress to count the Electoral College ballots on January 6 and 7, 2021. These objections were part of Donald Trump's efforts to overturn the results of the 2020 presidential election. Congress adjourned twice to debate the objections but ultimately voted them down. 138 (64.5%) Republicans objected to the election and are coded with a 1, 76 (35.5%) Republicans did not vote to object to the election results and are coded with a 0⁴.

To capture other reasons why corporate PACs might support a member of Congress, we include variables for committee leaders (committee ranking members in 2021 and chairs in 2017), subcommittee leaders (subcommittee ranking members in 2021 and chairs in 2017), party leadership (including speaker, majority/minority leader, majority/minority whip, chief deputy whip, conference chair, and NRCC chair), and membership on four key committees: Appropriations, Energy and Commerce, Rules, and Ways and Means. For models involving 2022 election cycle data, we include these access variables for members of Congress based on their position in December 2021, which represents the approximate midpoint of the election cycle. For models including the 2017-18 cycle data, we include an indicator variable for anyone who was in the position at the end of 2017.

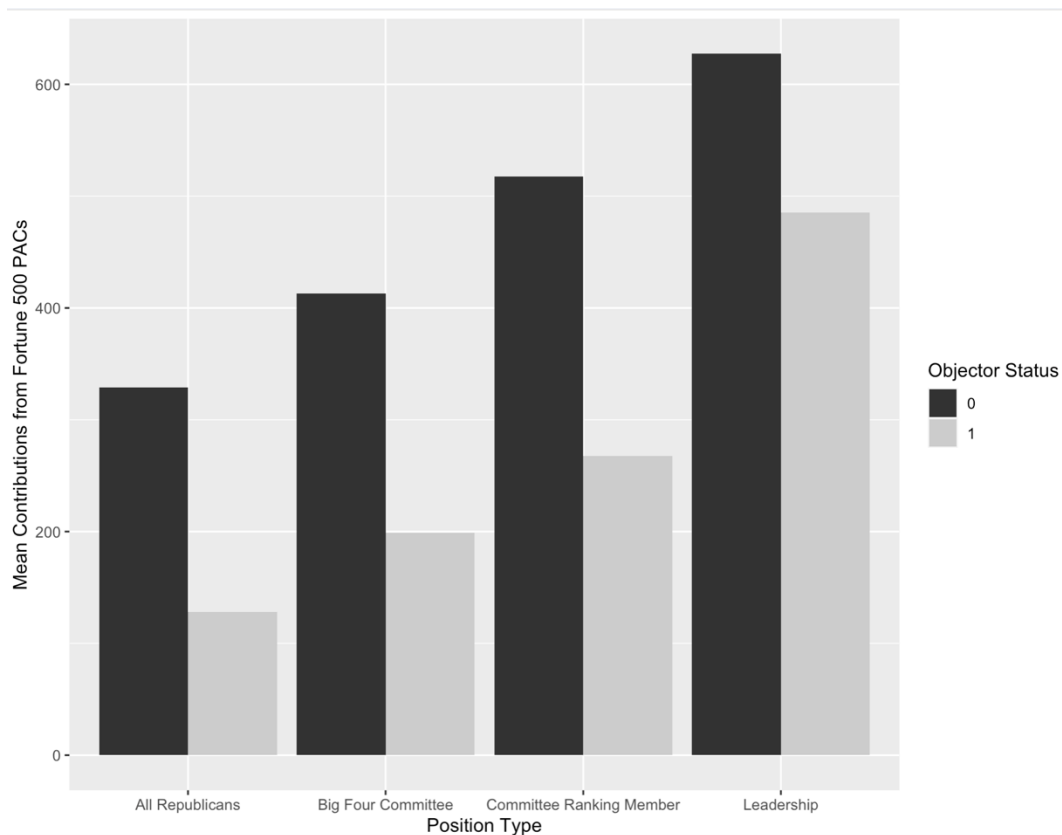
⁴ One of the members who voted to object to the election results retired soon after January 6 and is no longer in the dataset.

We include the absolute value of the district's partisan lean, represented by The Cook Political Report's PVI score – to account for the fact that interest groups give more money to candidates in competitive races (Bonica, 2013; Ballard, Hassell and Heseltine, 2021). We also include DW-NOMINATE scores to capture ideological extremity as a possible confounding variable. We add a variable for members who retired at the end of 2022 or ran for another office during the 2022 election cycle since those members are less likely to receive contributions to their House campaigns (McCarty, Poole and Rosenthal, 2016). For the 2018 election cycle models, we also include an indicator variable for any member in the dataset who was not an incumbent during the 2017-2018 election cycle. Since non-incumbents receive fewer contributions from access-oriented interest groups, it is likely that non-office holders will receive fewer contributions compared to incumbents during that election cycle (Fourinaies and Hall, 2015).

Results

Before examining the relationships between our independent and dependent variables, we first explore descriptive statistics. Figure 2 depicts observed Fortune 500 PAC contributions for objectors and non-objectors in different positions. As Figure 2 illustrates, Fortune 500 companies gave significantly more money to Republican legislators who voted to uphold the 2020 election results, providing preliminary support for our hypotheses. Those objectors on key committees as well as those in leadership positions also saw their fundraising numbers reduced significantly despite their institutional position.

Fig. 2: Aggregate Contributions to Republicans During the 2022 Election Cycle



It is also important to understand potential changes in PAC behavior between the 2017-18 cycle and the 2021-22 cycle. We expect members of leadership and chairs of important committees to receive the most contributions from large companies due to the access-oriented strategies Fortune 500 companies use. Table 1 provides some intuition about whether this is the case in 2017 and 2021.

The top recipients of business contributions shifted after the events of January 6. We would have expected to see the same individuals to top this list, but that's not what we see. There are some notable differences between the two lists. The only two objectors to appear on the top recipients list for 2022 are future House Speaker Kevin McCarthy and future majority leader Steve Scalise. The other objectors who appeared on the top recipients list in 2018 drop off for the 2022 cycle. Rep. Cathy McMorris Rodgers, who would become chair of the House Energy and Commerce Committee, and Rep. Patrick McHenry, who would become House Financial

Services chairman – both non-objectors – both outraised McCarthy during the 2022 election cycle, while McCarthy was the top fundraiser during the 2018 cycle. Meanwhile Rep. Darin LaHood, a non-objector and future chairman of a Ways and Means Subcommittee, outraised Rep. Steve Scalise, the future House majority leader. All others on the list are subcommittee chairs of either Ways & Means, Financial Services or Energy & Commerce.

Table 1: Predictors of Fortune 500 PAC Contributions

	2022 Control Model	2022 Objector Model	2022 Full Model	2018 Full Model
Objector		-200.70* (27.23)	-179.59* (25.95)	-7.06 (25.72)
Committee Leader	210.05* (42.24)		199.23* (38.15)	300.09* (66.16)
Subcommittee Leader	10.29 (24.79)		23.97 (22.46)	33.57 (28.35)
Party Leadership	327.06* (62.88)		343.93* (56.80)	992.71* (71.61)
Big Four Committee	103.07* (26.97)		100.04* (24.35)	110.48* (29.01)
Retiring	-132.28* (58.43)		-136.08* (34.68)	
DW-Nominate	-324.09* (90.03)		-101.71 (87.37)	-144.56 (83.48)
Competitive District (PVI)	-2.71 (1.71)		-0.36 (1.58)	-0.23 (1.50)
Not in Congress 2017				-166.51* (27.73)
Constant	342.93* (52.23)	328.65* (21.86)	310.09* (47.37)	270.93* (44.94)
N	213	213	213	213
Adjusted R-Square	0.34	0.20	0.46	0.66

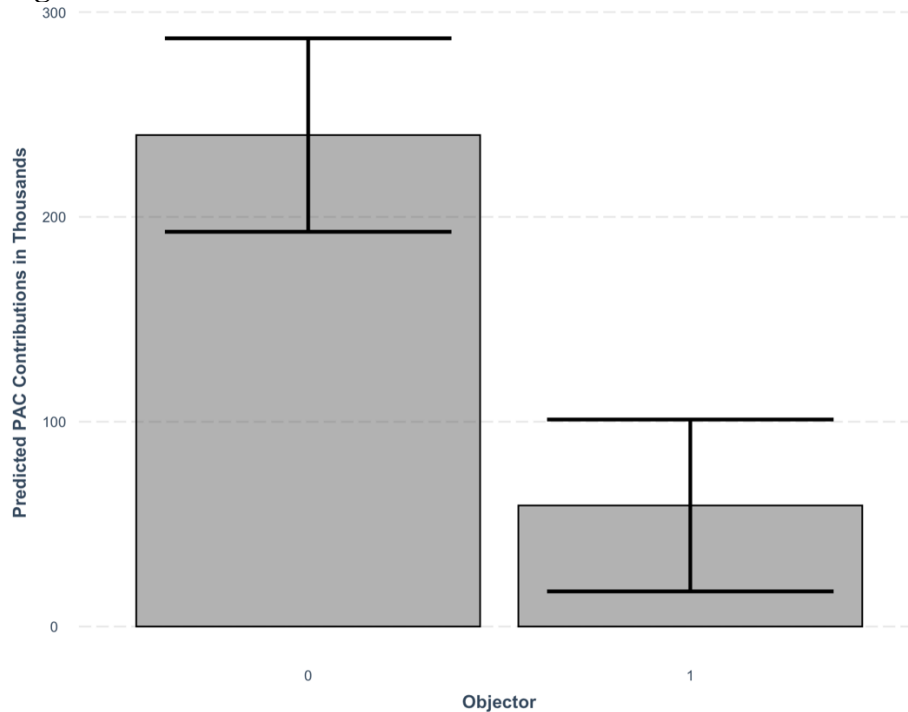
Note: * < 0.05 (two-tailed). Models are OLS. Dependent variable for 2022 models is total PAC contributions from all Fortune 500 PACs in the 2021-2022 congressional election cycle in thousands of dollars. Dependent variable for 2018 model is total PAC contributions from all Fortune 500 PACs in the 2017-2018 election cycle in thousands of dollars.

Table 1 includes four OLS models to test our hypotheses. We create three models with 2022 election cycle data – an independent variable-only model, a model with all control variables without the independent variable, and a full model with all variables. Statistical significance is similar in all three models, with one exception. In the control variable model, the first DW-NOMINATE dimension is a strong predictor of PAC contributions. Those with higher scores – indicating more conservative members – receive a lower aggregate amount of contributions from Fortune 500 PACs. However, when adding the objector variable, DW-NOMINATE is no longer statistically significant. This is because objectors tend to be more conservative Republicans (Pearson’s $R = -0.49$). Once objector status is added to the model, the relationship between DW-NOMINATE and contribution totals is no longer statistically significant.

The results of the full 2022 election cycle model (third column) indicate that objector status, full committee ranking member positions, congressional leadership positions, membership on key committees, and retiring from Congress are statistically significant predictors of PAC contributions ($p < 0.05$, two-tailed). The results for our committee and leadership variables are in line with previous research emphasizing positions of power as sources of lawmaking effectiveness (Volden and Wiseman, 2014) and targets of interest group behavior (Romer and Snyder, 1994). A lawmakers’ plan to retire has a statistically significant and negative relationship with Fortune 500 PAC contributions ($p < 0.05$, two-tailed), which is intuitive since Fortune 500 PACs tend to give to members of Congress who are expected to be in influential

positions, something that retiring members do not offer. Subcommittee ranking member status and NOMINATE scores do not have a significant impact on Fortune 500 PAC contributions during the 2022 election cycle.

Figure 3: Predicted Fortune 500 PAC Contributions for the 2022 cycle



For Hypothesis 1, we expect that, on average and holding all other variables constant, objectors will receive fewer total Fortune 500 PAC contributions than non-objectors. The results of the 2022 full model in Table 1 support this hypothesis. The difference between total contributions for objectors and non-objectors is statistically significant. Our model estimates that objectors will receive \$179,590 fewer in contributions from Fortune 500 companies compared to non-objectors when controlling for access-oriented variables like leadership and committee positions. Figure 3 illustrates predicted PAC contributions for objectors and non-objectors based on the full 2022 model.

The effect of objector status on fundraising totals is large enough to offset traditional access-oriented positions like membership on key committees and is nearly large enough to

offset being a committee leader. In fact, objecting to the 2020 electoral count leads to a greater decrease in Fortune 500 contributions than retiring from Congress – a striking result. The model predicts similar effects for individuals with key positions in Congress. Republican party leaders who did not object to election results are predicted to receive \$654,020 from Fortune 500 PACs, while those who objected will receive an estimated \$474,430. Committee leaders who are non-objectors are predicted to receive \$509,320 from Fortune 500 PACs, while objectors are predicted to receive \$329,730. The model estimates that non-objectors on key committees will receive \$410,130 in contributions from Fortune 500 PACs, while objectors will receive \$230,540. These effects are notably absent during the 2018 cycle for those who went on to object in 2021. In short, being an objector significantly reduces the fundraising advantage of positions of power in Congress.

Hypothesis 2 posits that Republican party leaders who voted to object to the election results will have less of a financial advantage over rank-and-file legislators in the 2022 election cycle compared to the 2018 election cycle. The 2018 model estimates that party leaders receive a \$992,710 premium over rank-and-file members, all else being equal. This effect is considerably reduced in the 2022 model. Being part of the Republican leadership team is associated with a \$343,930 increase in Fortune 500 contributions after controlling for objector status. In other words, the financial advantage of leaders in 2022 is reduced by two-thirds, lending support for our argument that big business tries to balance access and accountability. The large reduction in party leadership contributions even after controlling for objector status is likely due to two reasons. First, Republican leaders as a whole are seen as partly responsible for enabling Trump's lies about the 2020 election. House leaders in particular did not forcefully object and provided little guidance to members around the events of January 6. Second, fact that Republicans were in

the minority during the 2021-2022 cycle makes leadership contributions less valuable to access-oriented companies. However, since the GOP was widely predicted to take back control of the House after the 2022 elections, we expect this effect to be less pronounced than if the Democrats were expected to maintain control.

We predicted in Hypothesis 3 that objecting key committee members will have less of a financial advantage compared to rank-and-file members during the 2022 cycle versus 2018. The 2018 model predicts that House Republicans with key committee assignments would receive a \$110,480 advantage in Fortune 500 contributions over their colleagues. The 2022 model prediction is only slightly lower – members on key committees have an advantage of \$100,040. The magnitude of the effects of being on key committees, consistent with the access-oriented nature of business contributions, is therefore similar to 2018, seemingly refuting Hypothesis 3. The negative effect of being an objector is \$79,550 larger than the positive effect of sitting on a key committee. This means that while key committee members receive a similar financial advantage in 2021-22 cycle compared to rank-and-file members, that advantage is wiped out when the member objects to the election results.

According to Hypothesis 4, committee and subcommittee ranking members and chairs will receive less of a financial advantage during the 2022 cycle compared to 2018. The 2018 model predicts that committee chairs received an average of \$300,090 more than rank-and-file members. The 2022 model sees these advantages diminished; committee ranking members receive on average an additional \$199,230. However, this positive effect is almost completely offset by being an objector. Our results suggest that 2022 committee leaders have less of a financial advantage compared to 2018 regardless of objector status. This advantage is nearly offset for objectors – findings which support Hypothesis 4.

We incorporate district competitiveness as a potential confounding variable into our models because it is conceivable that Fortune 500 PACs are more likely to give contributions to candidates in competitive races. We account for this possibility using PVI score, a commonly-used measure for district competitiveness (Wasserman, 2021). In both the 2022 and 2018 election cycle models, there is no statistically significant relationship between district competitiveness and Fortune 500 PAC contributions.

A potential difference between 2018 and 2022 models is the possibility that the members of Congress retiring in 2022 may have done so in reaction to the events and aftermath of January 6. News coverage leading up to the 2022 election made much of retirements from more moderate Republicans, fearing that they would lose to a more conservative Republican in a contested primary. To account for these potential differences, we looked at the differences between retiring and non-retiring Republicans in 2022. There are two potential differences in this regard – members of Congress from more competitive districts and those with more moderate voting records. There is no statistically significant difference in means for the district competitiveness of retiring versus non-retiring Republican House members.⁵ When comparing DW-NOMINATE scores, there is a statistically significant difference in means.⁶ This means that retiring Republicans are more likely to be moderate, on average, than non-retiring Republicans. However, since our model indicates that more moderate Republicans did not receive a fundraising advantage in the 2018 election cycle, we would not expect the ideological skew in retirements to influence fundraising totals.

Another caveat involves the potential confounding effect of majority party status on Fortune 500 contributions. Previous studies found that corporate PACs assign a premium on

⁵ The mean PVI score for retiring Republicans is 13.20, and 13.43 for non-retiring members..

⁶ The mean score for retiring members is 0.44 and 0.51 for non-retiring members, test statistic = 7.0.

majority status in the House (Cox, Magar and Diego, 1999; Rudolph, 1999). One might argue that the decrease in access-oriented variables is due to the minority status of House Republicans in the 2021-22 cycle. We believe that since Republicans were expected by most election prognosticators to take over the House after the 2022 elections, these differences are less likely to be due to the difference in party majority. Indeed, the overall contributions from Fortune 500 companies to all Republican legislators are of similar magnitude and slightly higher for 2022. The median contribution amount to Republicans during the 2022 election cycle is \$140,500, whereas the median for the 2018 election cycle - when Republicans were the majority party - is \$122,300. There is no sign of an overall drop-off effect in contributions. Given the evidence presented here, including initial reactions of Fortune 500 companies after January 6, it is more likely that those companies shifted their contributions towards non-objectors, diverging from their usual access-oriented strategy. The reduced fit of the 2022 model ($R^2 = 0.46$) versus the 2018 model ($R^2 = 0.66$) is an indication that January 6, quite literally, broke the corporate model of access-oriented contribution giving. Variables related to committee and leadership status still explain a large part of the variation in contributions, but not as well as during the 2017-2018 cycle. Businesses' spending decisions are indeed guided by considerations that involve more than institutional position of power within Congress. Ethical behavior, including support for democracy, is one of them.

Discussion

The evidence presented here suggests that corporate actors use campaign contributions – or the lack thereof – to signal their disapproval when those in power attack democracy. We show that January 6 poses a distinct challenge for Fortune 500 companies, who are balancing demands for accountability with their goal to preserve access to policymakers. We find that Republicans' vote

on certifying the 2020 election results is a powerful predictor of Fortune 500 contributions during the 2022 election cycle. Objectors, even when they hold leadership positions or seats on key committees, are likely to see their total contributions reduced by \$179,590 on average compared to rank-and-file non-objectors. This penalty in Fortune 500 contributions is larger than for those retiring from Congress. These results suggest that while Fortune 500 companies still use access-oriented strategies to influence policy, they are also responsive to stakeholder pressure and move campaign contributions away from members of Congress who violate democratic norms. The usual advantages for lawmakers in institutional positions of power are offset by their refusal to certify the presidential election results.

We believe that the evidence presented here offers valuable lessons beyond January 6. While Fortune 500 companies use campaign contributions to support their legislative goals, they are more than simple cost/benefit weighing entities that make contributions in exchange for access. Large companies are organizations made up of people with preferences, and those preferences shape the strategies of the larger organization. Reducing campaign contributions to members of Congress is not simply “cheap talk” but indicates a willingness to risk access to those in power to be responsive to their stakeholders’ preferences. These are encouraging results for democratic resilience in the United States given voters’ reluctance to sanction violations of democratic norms (Graham and Svolic, 2020). Corporations’ use of financial power to penalize those who attack democracy is especially surprising considering the conservative lean of big business (Grumbach and Pierson, 2019; Barari, 2023). Contrary to conventional wisdom, corporate America is more than a single-minded seeker of financial advantage. It is also a reflection of American society and its values, providing an additional line of defense against the most serious attacks on democracy.

The reactions of America’s biggest companies to January 6 fit the trend of eroding ties between the GOP and the business community. Many businesses see an increase in violations of democratic norms (Kalmoe and Mason, 2022), predictions about higher levels of civil conflict in U.S. politics (Walter, 2022), and the pursuit of ideologically extreme legislation by Republicans as threats. Some on the far-right welcome these developments, however, because they have the potential to “liberate” the party from corporate constraints on its “culture war” (Hopkins, 2022). It remains to be seen how the relationship between the Republican party and big business will continue to evolve in the face of threats to democracy. But an important lesson from January 6 is that corporate America is indeed responsive to the values that form the foundation of America’s democratic experiment.

Data availability statement. Replication Data for this article can be found in Harvard Dataverse at (insert LINK)

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