

Policy in Practice



Why Companies Avoid Overt Partisanship

Michael Jordan, the basketball legend, refused to engage publicly in partisan politics. The reason was simple, he explained: Republicans buy shoes, too, and Jordan didn't want to antagonize any potential customers for Nike, whose products he endorsed. Major corporations tend to employ the same logic. They don't want to risk angering potential consumers who disagree with their politics.

When the Supreme Court abolished limits on corporate contributions to political causes, some worried that big corporations would dominate the game. But it turned out that major companies don't want to be associated closely with partisan causes. Most super PAC money comes from wealthy individuals such as owners of privately held companies who don't have to worry about what shareholders or the broader public thinks in the way a major consumer company does.

Target, the big retailer, found itself the target of boycott campaigns in 2010 after it donated \$150,000 to a super PAC that supported a gubernatorial candidate who opposed gay marriage. Perhaps more striking, however, was the defection of many major corporations from a previously obscure legislative group that had become the center of controversy in 2012.

The American Legislative Exchange Council, known as ALEC, had long championed conservative legislation. The group brought together state legislators and corporations to craft policy that was then turned into model bills introduced in many states. Much of it had to do with fiscal matters, such as tax policy, or policies that had some direct benefit to the group's corporate members—including prison sentencing laws that helped bring business to ALEC's active private prison affiliates. Roughly a thousand bills based on ALEC language are

introduced in an average year, with about 15 percent enacted into law.

For years, liberal advocacy groups decried ALEC's influence, but they were unable to alarm very many members of the public, since the group remained little known. That began to shift, however, in 2011, when 850 model bills generated by ALEC, along with other documents, were published on a website run by the liberal Center for Media and Democracy. That made it easier for journalists and the group's ideological opponents in individual states to compare proposed legislation with language crafted by ALEC.

ALEC was facing some public relations headaches, but its problems really began with the high-profile shooting of Trayvon Martin, an unarmed African American youth, in Florida in February 2012. The man who shot Martin, George Zimmerman, maintained that he was innocent of murder charges thanks to the state's "stand your ground" law, which allows people to use force when they feel they may be at risk.

That type of law had been promoted by ALEC. The group soon backed away from the issue, announcing 2 months after the shooting that it was disbanding the task force that dealt with public safety and elections issues. From now on, ALEC leaders said, they would stick purely to economic matters.

By then, it was too late for many of ALEC's corporate members. Several major companies, including Coca-Cola, Pepsi, McDonald's, and Kraft, had cut their ties with the group. They were joined in 2014 by tech giants such as Microsoft, Google, and Yelp. Some three-dozen corporations and foundations would ultimately make the decision that being associated with ALEC, however effective the group had been in the past, was bad for business.