Corporate Political Participation: New Opportunities to Reach Customers and Engage Employees

With the 2020 election season already underway, there are new opportunities emerging for companies that choose to harness political engagement as an important, innovative component of their business strategy. As more companies adopt the view that corporate political participation can serve as a tool to help motivate employees and attract customers, more organizations than ever are stepping into the political fray, with corporate executives speaking out on public issues and some companies even openly endorsing their candidates of choice.

We've identified several opportunities for companies looking to expand their political participation as a way to achieve their business goals to do so within the bounds of the relevant laws and rules that govern corporate political activity.

Engage Employees and Appeal to Customers

Federal campaign finance rules allow corporations to make a wide range of election-related communications to their employees, their customers and the general public as long as those communications are not coordinated in any way with political actors. Subject to some restrictions, corporations are often allowed to:

- Operate voter registration drives and get-out-the-vote drives.
- Host candidates and officeholders for appearances in front of company employees.
- Permit employees to make *de minimis* use of corporate resources in furtherance of the employees' own volunteer political activities.
- Issue press releases endorsing candidates.
- Prepare and distribute candidate voting record and voter guides.
- Sponsor candidate debates.

Launch a Corporate PAC or Expand Participation in an Existing PAC

Federal law allows corporations to establish and maintain corporate political action committees (PACs), and many corporations do so as a way to have a voice in the political process. A corporation can start a PAC at any time, but should keep in mind that it usually takes several months to launch, fund and ultimately make contributions to candidates using a PAC.

Corporations that already have a PAC can increase PAC activity in the following ways:

- Learn how to structure PAC meet-and-greets and donor appreciation events, including events that may include appearances by federal candidates.
- Review the makeup of the company's PAC-eligible personnel to ensure the PAC is soliciting all eligible individuals in the company.
- Plan ahead to draft and review this election cycle's content for the PAC website, solicitations and incentive programs.
- Consider innovative giving/fundraising programs, such as soliciting contributions directly to federal candidates, within the bounds of the law.
- Explore opportunities to use PAC and/or corporate funds to engage in political activity at the state and local levels.

Support Candidates, Campaigns and Issues

More corporations than ever are eager to step into the political fray to support the candidates who represent the values of the company and its customers. While campaign finance laws still impose a strict ban on direct corporate contributions (including nonmonetary contributions) to federal candidates, innovative companies are exploring how they can be more politically active within the bounds of the law. Some of these opportunities include the following:

- Creating and distributing "issue advertisements" that do not mention candidates but nonetheless promote the company's view on an important social or political issue.
• Funding “independent expenditure” advertisements that expressly advocate the election or defeat of the federal candidates of the corporation’s choosing.

• Offering corporate space and resources to federal candidates for events and other functions, provided a permissible source other than the corporation itself reimburses the company for use of its resources.

• Exploring executive giving programs or opportunities for executives to speak out on issues, hosting candidate fundraisers in their personal capacities and playing a role in the company’s government affairs efforts.

Our attorneys review companies’ political activities policies; advise on corporate independent expenditure advertising campaigns; and brainstorm ideas with companies to engage their employees and reach their customers around federal elections and issues of national importance. With the proper legal planning, companies looking to be active politically in 2019 and 2020 have myriad opportunities to engage in these and similar actions while complying with the rules that govern corporate participation in the political process.

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