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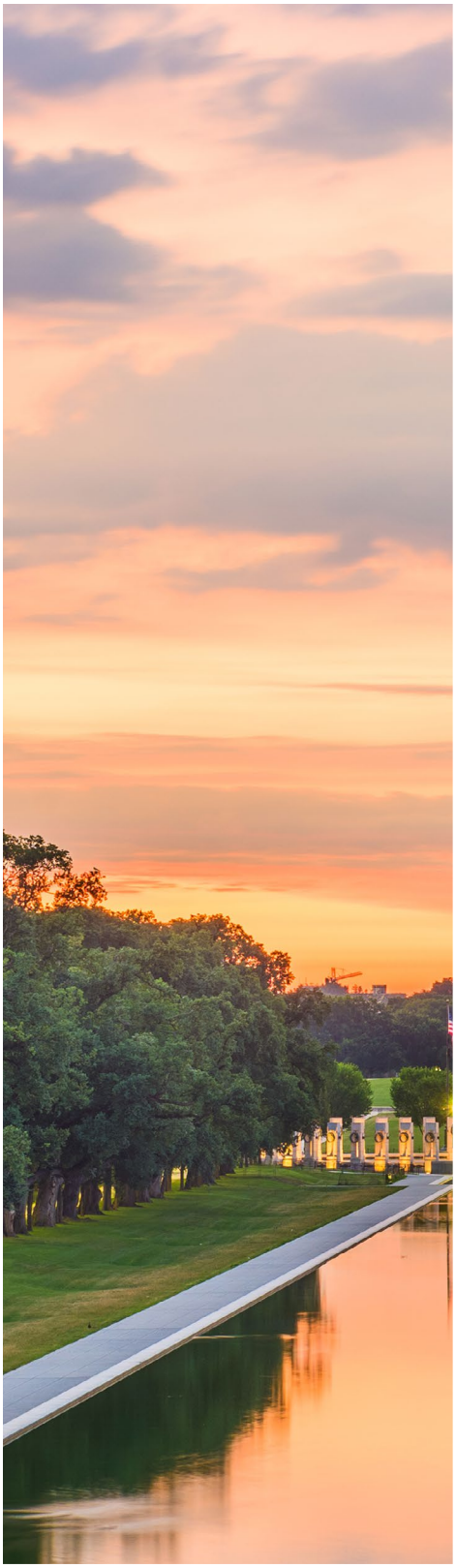

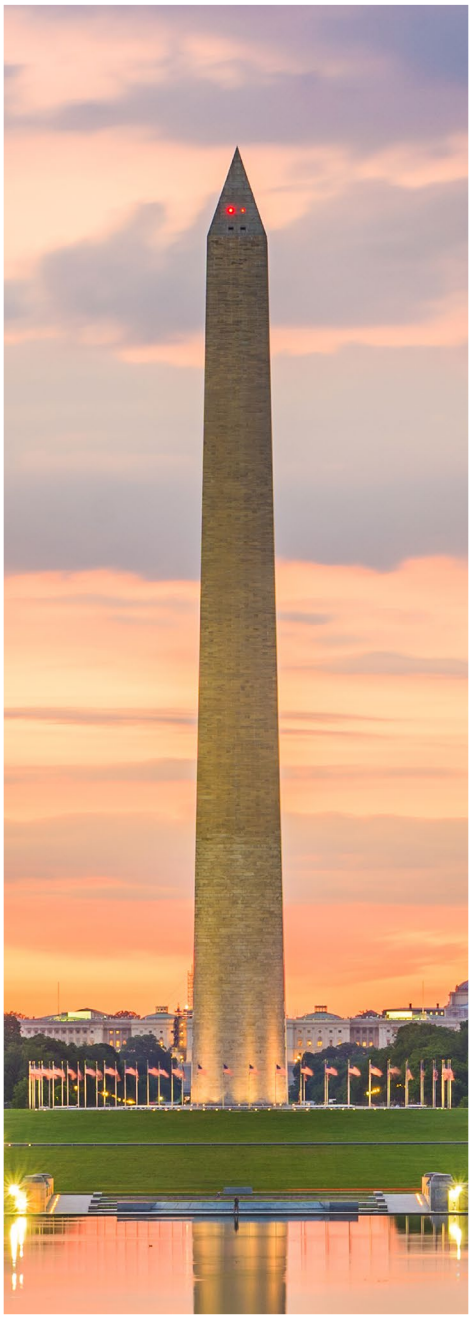

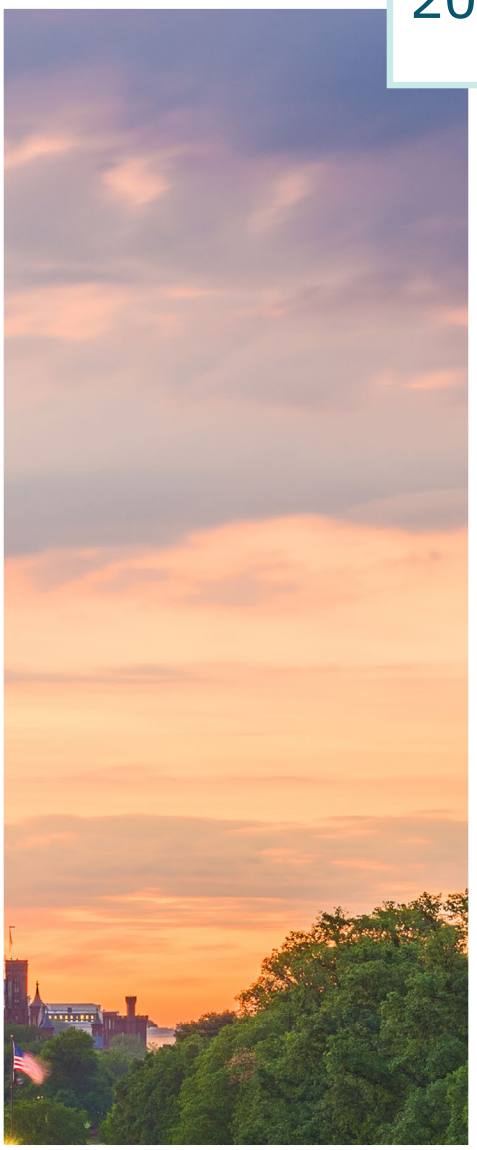

BALLAST RESEARCH

WASHINGTON INSIGHTS REVIEW

Redefining Corporate Citizenship:

Policymaker Perceptions of Corporate Engagement in DC

"COVID has transformed what we think is important. Leadership from the corporate level, whether it's in public or private, should recognize that and use this as a marker in transforming their beliefs."

-Director, Federal Agency

Washington Insights Review

Accelerated by COVID-19, key stakeholders—including employees and customers—are placing increased pressure on corporations to engage on a broad range of social and political issues.

In our conversations with senior policymakers, many suggest significant room for improvement in the ways that companies engage on these issues in Washington.

While notable differences exist across party lines, common themes emerge about what strong corporate citizenship looks like today.

Content

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Research

Ballast surveys and interviews more than **3,400 policymakers** across all levels of government in Washington, D.C., state capitals, and the EU each year. Stay up to date by joining our **Policymaker Hub** where we provide data-driven insights and resources for those in the public sector.

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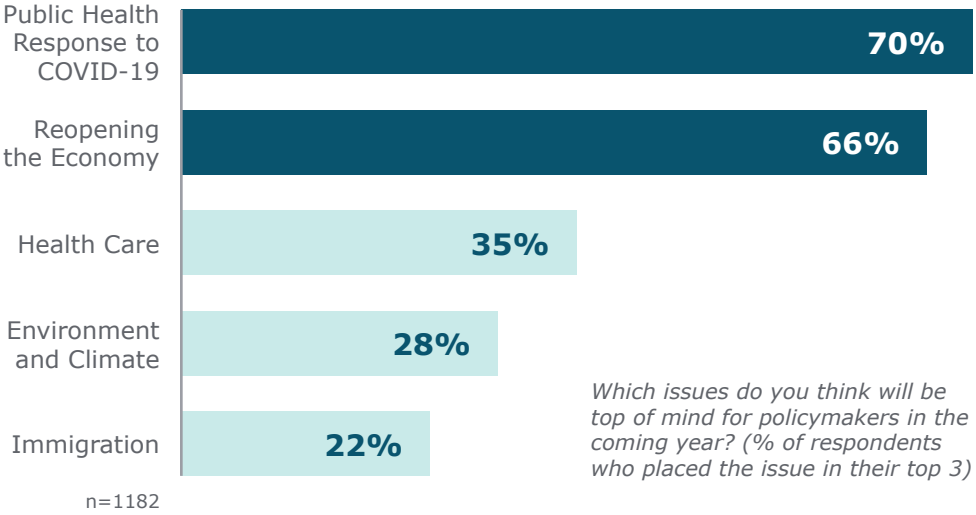
COVID-19 Accelerates Pressure to Address Social and Political Issues

COVID-19 Recovery Still Taking Precedent

Managing the public health response to COVID-19 and ensuring a full economic recovery remain top of mind priorities for most policymakers and private companies alike.

COVID-19 Recovery Remains the Primary Priority for Policymakers



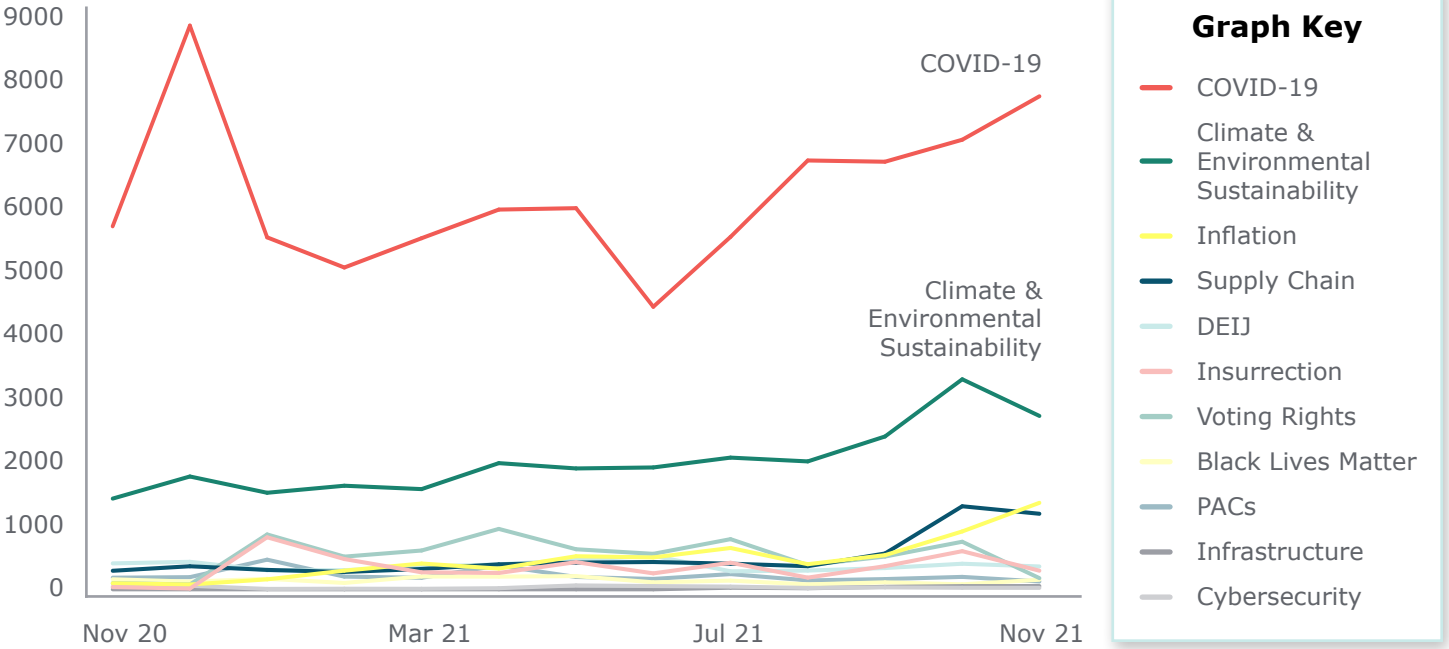
Which issues do you think will be top of mind for policymakers in the coming year? (% of respondents who placed the issue in their top 3)

> *"It seems more and more that the pandemic response is not just the main priority-* ***it's the only priority."***
>
> -Professional Staff Member, House Committee, R

And Continues to Dominate the DC Mediascape

Key Topics Shaping Private Sector Reputations in Washington DC Media

Volume of Mentions Associated with Ballast Clients in DC-Oriented Media



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Private Sector Response

COVID-19 has forced companies to change how they interact with employees, customers, and communities. Policymakers report that the private sector has continued to step up and help respond to the public health crisis.

Increasing Collaboration

"Early in the year, ***there was a lot of collaboration. There was a sense that everybody was on the same team.*** *The country was in trouble. We were in a crisis."*

-Deputy Chief of Staff, House, R

Resource Production

"There are countless examples of ***companies that have changed their production line to make PPE, masks,*** *and things like that. There are a lot of these in our state that I could list off."*

-Policy Advisor, Senate, R

Community Involvement

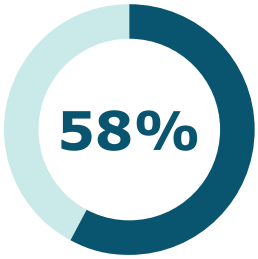
"There's increased attention on how much corporations are doing for their communities, for example, ***supporting children's programs and local community centers, taking part in community events...*** *That's really important."*

-Director of Constituent Services, House, D

Increasing Communications

*"****More and more companies are trying to be the first thing you think of when you think about recovery.*** *I feel like that will benefit them in the long run as people continue on this path out of COVID."*

-Professional Staff Member, House, R



58% of policymakers said the business sector was "somewhat" or "very" effective in tackling COVID-19 challenges

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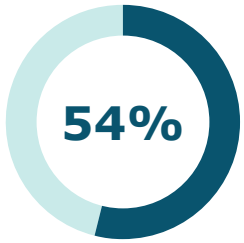
Growing Stakeholder Pressure on Private Sector to Act

Throughout the COVID-19 pandemic, pressure for companies to engage on broader social and political issues has increased dramatically as expectations from customers, employees, and other stakeholders continue to evolve.

Corporations Are Facing Pressure From All Sides to Take Stands on Social and Political Issues

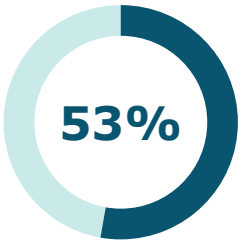
Employees

54% of employees globally believe that CEOs should speak publicly on controversial political and social issues they care about[1]



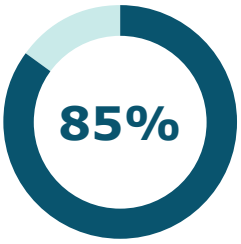
Customers

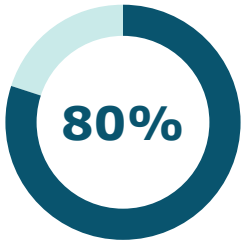
53% of consumers agree that every brand has a responsibility to get involved in at least one social issue that does not directly impact its business[2]



Investors

85% of investors considered ESG (environmental, social, and corporate governance) factors in their investments in 2020[3]





General Public

80% of Americans expect corporate leaders to continue to speak out on social issues over the next four years- including **87%** of Democrats and **75%** of both Republicans and Independents[4]

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New Standards for Corporate Citizenship

Private Sector Expands Engagement on Social and Political Issues

In response to increasing pressure from stakeholders, the pace at which companies engage on broader social and political issues has accelerated. Firms engage on a number of notable and—in some cases—controversial issues.

Timeline of Key Issues Companies and Associations Publicly Engaged On

MAY 2020

Black Lives Matter

Two-thirds of the largest U.S. companies make statements after the deaths of George Floyd and Breonna Taylor

The Washington Post

How The Black Lives Matter Movement Went Mainstream[5]

JAN 2021

PAC Donations

Major companies and associations suspend PAC donations in the wake of violence on Capitol Hill

AXIOS

Corporate Political Donations Fizzle in Wake of Jan. 6 Insurrection[6]

APR 2021

Voting Rights

Hundreds of companies sign a letter advertised in the NY Times and Washington Post opposing legislation limiting voting rights

The New York Times

Hundreds Of Companies Unite To Oppose Voting Limits, But Others Abstain[7]

SEP 2021

Climate

More than 200 companies join a pledge to hit net-zero carbon by 2040

CNN BUSINESS

More Than 200 Companies Joined A Pledge To Hit Net-Zero Carbon By 2040[8]

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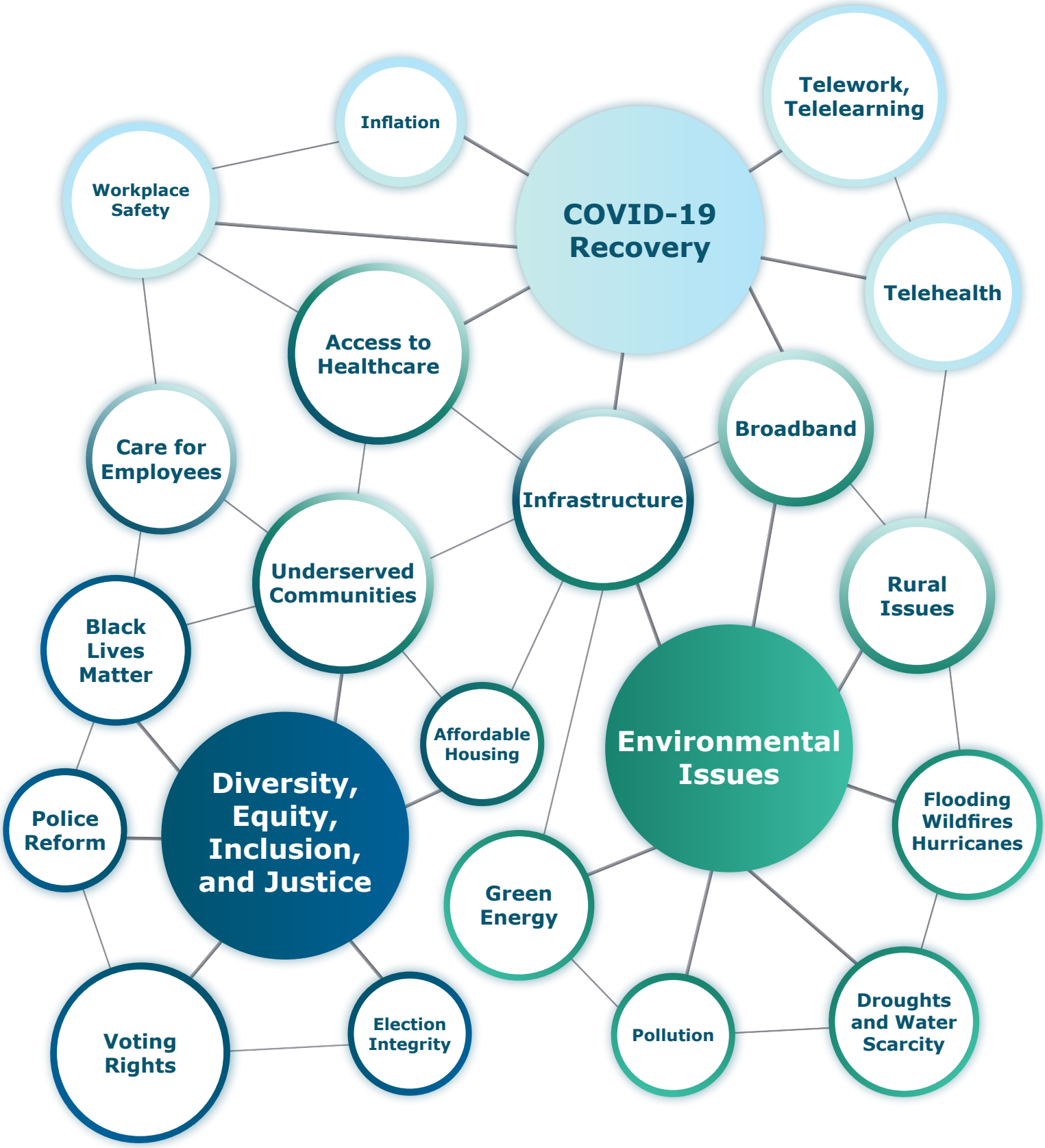
Broadening Scope of Social and Political Engagement in DC

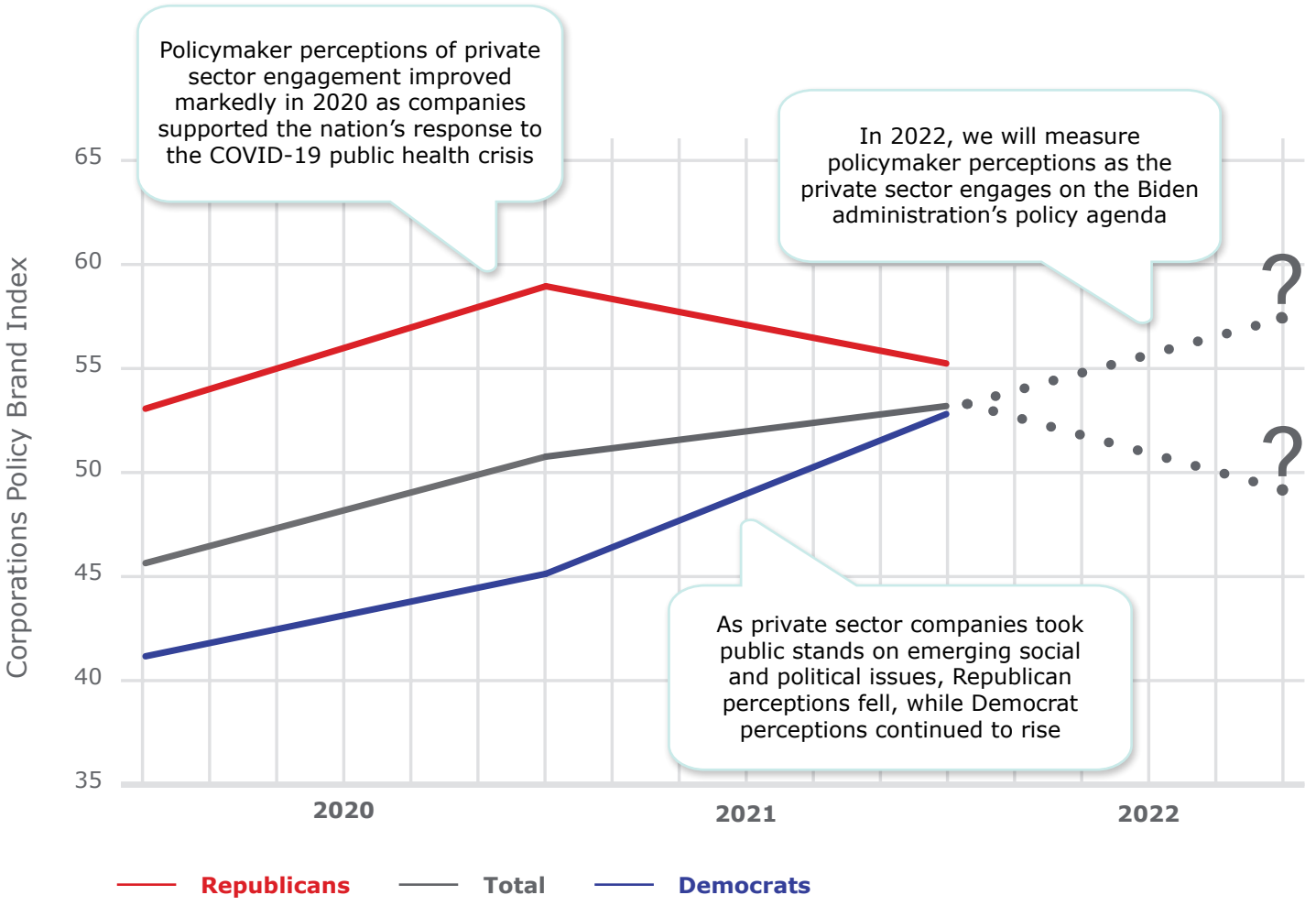
Beyond the headlines, our research found companies are engaging substantively on a broad set of issues related to COVID-19, the environment, and diversity, equity, inclusion, and justice.



Policymaker Perceptions of Private Sector Advocacy in DC

While companies' broader commitment to corporate citizenship is welcomed by policymakers across the aisle, some types of engagement can be viewed as highly partisan and counterproductive. Republican perceptions of advocates fell in March 2021 in the wake of private sector engagement around PAC spending and voting rights.

Policymaker Perceptions on Social Engagement



*"**From our perspective in a Republican office, corporate citizenship around these 'social issues' is just a cloak for partisan Democratic advocacy...** I would prefer companies act in a non-partisan way, and a lot of the things they do are partisan and related to their fundraising. **It's not a social act, it's a political act...** Take the Georgia voting issue. The nature of the corporate engagement on that matter is an issue... It was an overtly partisan effort... We're not fools. We see what it is—an effort that helps Democrats raise millions of dollars is the pursuit of social justice."*

-Chief of Staff, House, R

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Four Common Pitfalls to Avoid

In addition to partisan engagement, policymakers identify a few common missteps to avoid.

Knee-Jerk Reactions

"You see a lot of pushback, and it makes things more political when they do take stances on certain issues, but corporations need to take a stand on things. ***Some of the things that corporations take stands on are reactionary, and aren't necessarily in the best interest long run****. I think that a lot of—especially the sustainability and environmental stuff—is driven by fear and by polling numbers."*

-Chief of Staff, House, R

Greenwashing

"Good corporate citizenship? It's not just to say, 'Climate change is real and Black Lives Matter is important.' It's to actually have real actions towards addressing those issues… ***There's a term greenwashing, and you don't want that.*** *Greenwashing means you say nice things about the environment, but don't actually do anything.* ***That's not acceptable when it comes to climate and it shouldn't be acceptable when it comes to other issues like Black Lives Matter."***

-Chief of Staff, House, D

Empty Promises

"A good corporate citizen is someone who engages in things that they can actually have an impact on. ***Sometimes corporations engage in performative behaviors but don't change anything within their industry.*** *For instance, last year there were a bunch of organizations that were vocal about wanting to promote diversity and inclusion, but when asked about what kinds of people they've hired, they didn't have an answer."*

-Press Secretary, Senate, R

No Local Impact

"For us, ***it's all about district specific responses.*** *We get a lot of mass emails about what different organizations are doing, and those are all good. But the ones that we really listen to are the ones that say, '****Here's what we're doing in your district.' Those are the ones we pay attention to.****"*

-Legislative Assistant, House, R

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Roadmap for Strong Corporate Citizenship

Policymakers express a common set principles for good corporate citizenship.

Be Intentional

"Just sending these blind emails with facts and figures, I don't know if that's helpful. I think engaging with whomever you're reaching out to. For example, if there's something happening specifically in our state, ***being more intentional and tailoring how you share that information is key so it doesn't appear empty.*** *"*

-Legislative Counsel, Senate, D

Take Responsibility for Impacts

*"****Good corporate citizenship is comprised of companies' understanding the broader role they play within society,*** *not just their economic role, but as community partners at the local, state, and national level."*

-Chief of Staff, House, R

Set Realistic Goals

"It's easy for a company to say, 'We're going to do X by 2050,' ***when that CEO likely isn't going to be in that position in the timeframe that they give their companies.*** *I think you see a lot of pushback, and it makes things more political when they take stances on certain issues."*

-Chief of Staff, House, R

Demonstrate Community Impact

"The main thing that matters to us is, ***'what does it mean for our state?'*** *What does this have to do with the Senator's committee assignments; and what are the day's biggest issues and* ***does it have any resonance and connection to what we're working on?"***

-Chief of Staff, Senate, D

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Case in Point: Environmental Responsibility

Regional Impacts Are Driving Environmental Awareness

Blizzards

"In Buffalo, we don't get tornadoes or flooding. We get snowstorms and then the snow melts. And we've been getting snowstorms my entire life, but now you get blizzards where you're shut down for a week."

-New York Municipal Trustee, D

Flooding

"We've experienced several floods in our community. We had a million-dollar infrastructure project that failed. We got a loan through the EPA to pay it back. Then we had another flood, and it completely destroyed all the infrastructure work that we had done and paid for."

-Illinois Municipal Trustee, R

Clean Water Issues

"We have clean water issues around keeping our rivers clean. The Minnesota River has a lot of problems because of farm runoff with excessive fertilizers and pesticides."

-Minnesota State Senator, D

Drought

"We have a historic drought right now."

-Chief of Staff, U.S. Congress, R

Wildfires

"We've had challenges with the wildfires in the area. We've had a lot of wildfires."

-California Mayor, D

Air Quality

"Water is a big problem. We're in a drought, and the California fires are making it worse. Even though it's flooding right now, we can still smell the smoke, a new phenomenon."

-District Director, U.S. Congress, R

Extreme Heat

"Today in Florida it's 92°, and with the heat index, we're reaching 100°."

-Chief Officer, Federal Agency, D

Limited Crop Production

"Colorado decreed that they're limiting the amount of water going downstream. Our county is limiting water for everybody. Farmers have less water, so they're planting less crops. They're worried about their income. We're all worried about food production."

-District Director, U.S. Congress, R

Water Shortage

"People are realizing that we've gathered these rivers over the years, and now there's no water flowing in the rivers like there used to be. That's a big deal."

-Texas Executive Administrator, R

Environmental Issues are Bipartisan

While some types of environmental issues are highly partisan, strategies aimed at **mitigating extreme weather events, protecting against future environmental impacts,** and **showing the direct community impact** tend to receive bipartisan support.

"Climate Change" is a Divisive Term

*"**Climate change is definitely politicized,** and one reason why is because nobody can define it. 10 or 20 years ago, it was global warming, and now they're kind of trying to change their message... **There's something going on, I think we all agree on that**.. But nobody knows where it's going to change, it's all models. So if people want us to plan for the future on climate change, I'm like, 'Based on what?' They say the planet's going to warm more often, but what's that going to do? And they can't really tell you. **It's hard to plan for the future if you don't really know what's going to happen.**"*

-Administrator, Executive Branch, R

But Regional Impacts Span Across Parties

*"The wildfires have really moved the climate change question up the food chain. It's become quite a bit more important in a broad sector of the population... **I hear that across the board pretty much everywhere** [not just among liberals or people from the west coast]. **I think the mood is changing.**"*

-Director, Federal Agency, I

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Environmental Awareness is Increasingly Central to Corporate Citizenship

As climate and environmental impacts change, stakeholders expect corporations to take on greater responsibility in protecting the environment and helping communities respond.

Importance of Private Sector Commitment to Environmental Responsibility

79%

of respondents—including 87% of Democrats and 67% of Republicans—consider organizations' commitment to environmental responsibility at least moderately important

n=1210

As you think about the organizations that you respect the most, how important is their commitment to environmental responsibility?

Extremely Important
Very Important
Moderately Important
Slightly Important
Not at All Important
I Have No Opinion

Policymakers Hold High Standards for Environmental Issue Engagement

"I have expectations of major companies. It's part of doing business today, especially as these issues get more critical. ***We're seeing more disasters—wildfires are happening, places are flooding... The impact of these issues is not evenly distributed either, and companies should be aware of that.*** *If there are ways to address or mitigate against the disproportionate impacts from a company perspective, then that's something we should all be doing as well."*

-Associate Director, Federal Agency, D

*"****Companies, first and foremost, need to look at their own operations and efforts on sustainability and environmental justice.*** *Not only for good perception and public relations, but* ***it's good policy to have strong protocols in place for your own companies.*** *If you're doing it in your own company, then you have a platform in some ways to participate in the national debate for where the country should be going on environmental and social issues."*

-Former Chief of Staff, House, R

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Roadmap for Environmental Issue Engagement

Our conversations with policymakers suggest a few touchstones for companies that engage with policymakers on both sides of the aisle.

Engage Authentically

"On the environmental front, companies are in kind of a unique spot. They want to be realistic about what they can implement, but they are sort of at risk if they put themselves out there opposing certain issues on the record... But ***I do think it's important for the private sector to engage because they're the ones that have to implement things at the end of the day."***

-Deputy Chief of Staff, House, R

Understand Local Interests and Perspectives

"I lived [there] for 20 years and I still have a house down there... So ***I'm watching that closely not only because it's nuclear but because I have an interest in the locality."***

-Director, Federal Agency, D

Communicate Impact

"I'm always interested to hear if companies are doing good things. I want to encourage companies to have a positive impact on our environment and our society. So ***If they're doing something, I absolutely 100% would like to hear about it. And that might change my behavior."***

-Director, Federal Agency, I

Show the Whole Picture

"I'm all for solar energy, but I also want to know where the rare earth minerals are coming from, and how are they mined? *I'm interested in it, but I'm not interested in it in the way it becomes some halo that, 'We're a green company because we do X or Y.' Well,* ***what is the whole picture of what you're doing?"***

-State Director, House, R

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Environmental Engagement Spotlight: The Utilities Industry

Policymakers highlight the utilities industry for their strong corporate citizenship and engagement around environmental issues and impacts.

Intentional Advocacy

*"**Utilities have been one of the best groups in terms of ensuring that they've stayed on top of outreach and making sure that their interests are being heard.** More than anything, they've been a partner in trying to decarbonize. They worked with us to make it so that their pathway would be least expensive for their customers and ratepayers. They worked with us to make sure that it would be as painless as possible to ensure this transition. **I can't speak highly enough for the advocacy that was done on their behalf to make sure that utilities were included...** They did a fantastic job of working with us to make sure that these programs would work well for everyone."*

-Legislative Assistant, Senate, D

Forward Thinking

*"**The utilities are looking at what is coming down the line for clean energy mandates and renewables...** They're finally building offshore wind farms off the Atlantic coast. They're also increasing solar and onshore wind, which reduces the need for coal or other fossil fuels. Obviously, lawmakers and those employed by those jobs aren't [in favor of a quick phase out]. But you still have to increase capacity. If you want to keep bringing on these other projects like greater electric vehicle use and residential solar, you need the infrastructure for that. **So that's something that I know the utilities are giving as much weight as they are to cybersecurity.**"*

-Former Chief of Staff, House, R

Job Creation

*"**Companies have been engaging around renewables—it's a really exciting thing. It's going to be huge—just in our little region here it's expected to create 3,000 jobs for the next 10 years.** And that's just one project. That's not including the subsequent projects that will happen in our area and hundreds and hundreds of long-term maintenance jobs. It's just—**it's remarkable. And there's almost complete unanimity. It's a privilege really to have been able to watch that happen.**"*

-Policy Advisor, House of Representatives, D

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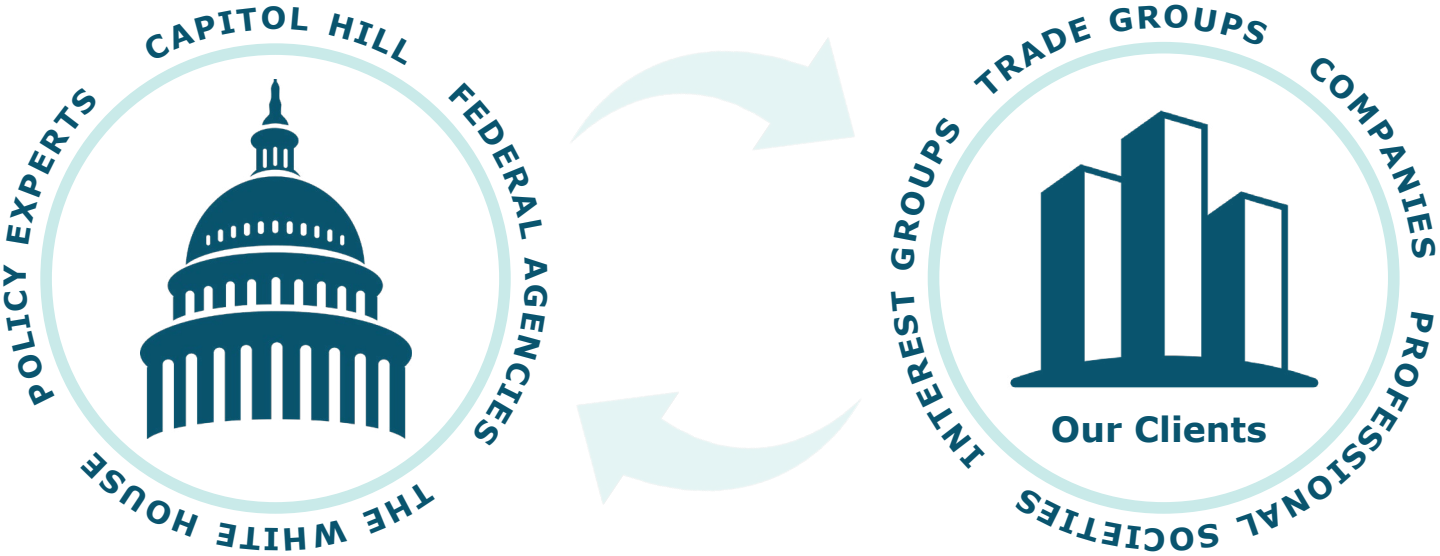
Ballast Research provides direct feedback from policymakers to government relations professionals, improving advocates' ability to understand, validate, and improve the efficiency and effectiveness of their engagement.



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> *This **deep-dive, customized research is invaluable** for understanding what policymakers think of us and need from us. The insights are another important tool we use **to inform our thinking on how to engage,** and **the data illuminates where we can do better.***
>
> -Head of US Communications, Fortune 10 Company

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