WHAT DRIVES U.S. CORPORATE ELITES' CAMPAIGN CONTRIBUTION BEHAVIOR?

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ABSTRACT. Do U.S. corporate elites contribute to political campaigns purely motivated by ideological considerations, or are their donations also a tool of political influence? Using a new panel of contributions to Members of Congress (MCs) by 263,668 corporate leaders of U.S. corporations, I show that individuals' donations vary over time as a function of MCs' policy relevance for individuals' companies: the likelihood of donating sharply increases when a MC becomes "policy relevant" to an individual's company. The estimates suggest that 16 percent of the observed gap in U.S. corporate elites' donations to "policy relevant" versus other MCs is driven by an influence-seeking motive.

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1. Introduction

The possibility that campaign contributions may tilt the playing field in favor of special interests has attracted large attention in the U.S. policy debate (Lessig, 2011). Growing empirical evidence shows that corporations use donations from their political action committees (PACs) in ways that are consistent with an attempt to influence and seek access to relevant legislators (Romer and Snyder Jr. (1994), Grimmer and Powell (2016), Fouirnaies and Hall (2018)). While persuasive, this evidence seems hard to reconcile with the small amount of money spent by corporate PACs (Tullock, 1972), as 95% of U.S. public companies do not even participate in campaign finance (Fouirnaies and Hall, 2018). Instead, the overwhelming majority of campaign donations come from individual donors, with 78% of the money raised by 2018 candidates to the U.S. Congress coming from individuals, up from 70% in the 2000 election cycle. Previous literature has typically seen individuals' contributions as ideologically motivated: as posited by Ansolabehere et al. (2003), "people give to politics because of the consumption value associated with politics, rather than because they receive direct private benefits" (p.118). The fact that most of the money in U.S. politics comes from individuals, rather than corporations, may then lead to the conclusion that fears that donations corrupt the policymaking process are largely exaggerated, and that free-speech considerations should be prioritized in campaign finance debates. This tension between donations as a tool to obtain a special treatment and donations as a means of political expression protected by the First Amendment is at the center of recent Supreme Court rulings on campaign finance regulation (Citizens United v FEC, 558 US 310 [2010]).

An aspect that is often overlooked in this debate is that a large share of U.S. campaign donations come from individuals with potentially large direct stakes in the policymaking process, namely from the corporate elites. If donations from corporate leaders are partially motivated by the desire to lobby on behalf of their companies, they should be considered as an additional, less visible tool of corporate political influence in the policymaking process. To what extent is this motivation an important driver of corporate elites' campaign contribution behavior?

In this paper, I provide systematic empirical evidence consistent with the influence-seeking motive playing a significant role in U.S. corporate elites' campaign contributions choices.

As a first step, I construct a novel dataset on the campaign contributions made by 263,668 corporate directors and executives of 11,478 U.S. publicly listed and large private corporations over the 2000-2014 period. Matching these corporate leaders to their contribution records is a challenging task. While the Federal Election Commission (FEC)

reports, for each individual donation, the full name and employer of the donor, members of the corporate elites have often multiple employers, and can decide to report any of them to the FEC, significantly complicating the matching task. As I describe in Section 2, I overcome these challenges by using a matching protocol that leverages information on the full labor market careers of the corporate leaders in the sample. The difficulties in assembling these data underline how any use of campaign contributions by the corporate elites as a tool of political influence may be more opaque and challenging to observe for the public relative to PACs contributions.[1] Yet, I find that 29% of the 263,668 corporate leaders in the sample made at least a donation during this period, and that their donations amounted to about 10% of all donations in federal elections over the 2000-2014 election cycles, underlining their prominence in the donors population and the importance of shedding light on the motives behind their donations.[2]

Using this dataset, I investigate to what extent the corporate elites use donations as a tool to influence Members of the U.S. Congress (MCs). The research design leverages time variation in a MC's ability to affect policies of interest to an individual's corporation, controlling for purely ideological considerations behind donations. First, following Bertrand et al. (2018), I use information on a sector's lobbying expenditures over the 2000-2014 period to identify the congressional committees of particular interest to a corporation. I then construct a measure of a MC's relevance for a specific corporation: a MC is considered "relevant" for a corporate leader's company at a given point in time, if the MC is sitting on a committee that is policy relevant for the industry of the corporate leader's company.[3] Since this measure exploits movements of MCs over time across committees with different jurisdictions, and thus varies at the MC-individual-time level, this allows to include a full set of individual-MC, MC-time, and individual-time fixed effects. Among other things, this saturated model controls for the distance in ideological positions and preferences between individual corporate leaders and MCs, to the extent

[1]This is consistent with anecdotal evidence that politicians see donations from individuals as less compromising than those from corporate PACs. A telling example is reported in Clawson et al. (2003) (p.37): a "PAC officer reported that though John Kerry (Democrat-Massachusetts) makes a public issue of not accepting PAC contributions, his staff had nonetheless called the corporation to say that Kerry expected $5,000 in personal contributions from the company's executives."

[2]This is not the first paper to focus on campaign donations by corporate leaders. Fremeth et al. (2013) documents that becoming a CEO increases participation in campaign finance. Cohen et al. (2019) finds substantial partisan preferences for Republicans among 5,078 S&P1500 CEOs, while Bonica (2016a) shows a high degree of partisan heterogeneity among the 1,493 CEOs and directors of firms in the 2012 Fortune 500 list.

[3]Variants of this approach have been used in the literature that investigates how PACs' patterns of donations are consistent with an access-seeking hypothesis (Fouirnaies and Hall (2018), Berry and Fowler (2018)), and to show that part of U.S. corporate charitable giving is used as a tool of political influence (Bertrand et al., 2018).

that these are fixed over the sample period. After the inclusion of these controls, the extent to which a MC's committee assignment predicts donations by corporate leaders of companies for which that committee is relevant can be interpreted as a lower bound of the influence-seeking motive, under the assumption that a MC can be relevant to a company only through committee assignment.

I estimate this model on a panel of 416,266,102 unique individual-MC-election cycle tuples, and find that the likelihood that corporate elites donate to a MC increases by 13% when the MC becomes relevant to their corporation.[4] This estimate suggests that 16% of the raw gap in corporate elites' donations to relevant versus other MCs is driven by an influence-seeking motive. As an additional piece of evidence consistent with a strategic use of donations by corporate leaders, I show that the effect is significantly larger when the relevant MC is also from the majority party in Congress (an 18% increase, versus a 5% increase among minority party MCs), and even larger for committee chairs.[5]

This paper directly contributes to address the long-standing puzzle on the paucity of money in U.S. politics (Tullock, 1972). While expenditures in standard tools of political influence (like corporate PACs contributions) are relatively small, corporate interests may seek to access and influence relevant legislators through relatively less visible avenues. In showing that a significant share of the personal contributions by the corporate elites are motivated by an influence-seeking motive, this paper complements recent evidence by Bertrand et al. (2018) on the use of corporate charitable giving as a tool of political influence.

2. Data and Descriptive Facts

In order to study the campaign contributions behavior of the U.S. corporate elites, I build a novel dataset which combines information on *(i)* board members and senior executives of U.S. corporations in the 1999-2014 period, *(ii)* campaign contributions in U.S. elections, *(iii)* corporate expenditures in lobbying the U.S. Congress, and *(iv)* MCs' committee and subcommittee assignment. Full details on the data construction are in Appendix A.2.

[4]I also show that the estimated effect is driven by a sharp on-impact change at the time of a MC's appointment to the committee, with no evidence of anticipation effects. This assuages concerns about possible endogeneity in the specific timing of committee appointment.

[5]Two recent papers are also consistent with CEOs being at least partially strategic in their donations patterns. Gordon et al. (2007) shows that CEOs are more likely to participate in campaign finance if their compensation depends more on their company performance. Richter and Werner (2017) shows that CEOs are more likely to donate to candidates supported by their corporate-linked PACs when candidates announce that they will no longer accept PACs donations.

2.1. **U.S. Corporate elites data.** Data on corporate leaders of U.S. public and large private corporations come from *Boardex*. It contains information on all board members and senior executives (a total of 263,668 unique individuals) of 11,478 U.S. companies between the 2000 and 2014 election cycles (corresponding to the 1999-2014 period). 7,249 of these companies were publicly listed for at least part of the sample period.[6] The data include individual and company identifiers, allowing to track individuals over time and across companies.

The *Boardex* database has the unique feature of including information on the full employment history of these individuals, collected and verified by *Boardex* analysts using company websites, annual reports and news outlets. The employment histories contain the names of 413,461 unique organizations (corporations, as well as other organizations, like universities, governments, and charities). This allows to observe the full history of employers for each individual in the dataset, beyond their position in the 11,478 companies that are part of the sample. As described below, this is crucial to match these individuals to their contributions in U.S. elections. The average number of organizations with which the corporate leaders in the sample have been affiliated during their career is 6.5.

The Appendix reports summary statistics for the corporate leaders in the sample.

2.2. **Campaign contributions data.** Data on campaign contributions in U.S. elections come from the Database on Ideology, Money in Politics, and Elections (DIME) (Bonica, 2016b). The DIME collects and standardizes information on contribution records from the Federal Election Commission (FEC) as well as from state and local election commissions. It contains a total of about 130 million contributions made by individuals and organizations to local, state, and federal elections over the 1979-2014 period. For every transaction record, the DIME records the amount of the donations, the recipient, and the donor's identifying information.

Each individual donor is required to disclose her name, address, and employer, to allow the public to monitor the sources of politicians' campaign funds. However, contrary to PACs, individual donors are not assigned an individual identifier by the FEC or by state-level election commissions, making it challenging to track an individual's donations over time and across elections.

An important feature of the DIME is that identity resolution methods that leverage donors' name, address, and employer, were used to create identifiers for individual donors. However, members of the corporate elites have often multiple employers (and addresses),

[6]The coverage of the database increased over time, from 1,545 companies in the 2000 election cycle to 8,493 in the 2014 election cycle. I consider an individual as belonging to a given company in a given election cycle if she appears for at least one year of the election cycle.

not only over the years but even at the same point in time, and can in principle report any of them when they make a contribution. While the DIME individual identifiers are accurate for individuals with stable employers and residences, contributions of the individuals in the sample of corporate elites will likely be split among multiple identifiers.

2.3. **Corporate lobbying data.** Following Bertrand et al. (2018) I use lobbying expenditures on specific issues to determine the issues of greatest interest to a company.

Data on corporate lobbying expenditures for the U.S. Congress during 1999-2014 come from the *Center for Responsive Politics*. For each lobbying record, the data contain information on the amount of expenditure, on the industry of the company making the expenditure, and on the issues that were the focus of the lobbying efforts.[7] For each industry-issue combination, I calculate the aggregate expenditure on the issue by all companies in the industry over the 1999-2014 period. I then consider an industry's top three lobbied issues as the issues of interest to the companies in that industry.[8] I show in the Appendix that results are similar when I consider an industry's most lobbied issue in the election cycle (allowing an industry's issues of interest to vary over time).

2.4. **Members of Congress' committee assignment.** Data on committee assignments of MCs over the 1999-2014 period, which spans the 106th to the 113th Congresses, come from Stewart III and Woon (2017).[9] I use the crosswalk constructed in Bertrand et al. (2014) to match an issue listed in the lobbying reports to the committee(s) with oversight over the issue. Since the Appropriations and Commerce committees in the House and Senate oversee a large number of different issues, I complement this data with information on MCs' assignment to the subcommittees of these two committees, and I further extend the crosswalk by assigning issues to each of the subcommittees.[10]

2.5. **Matching of the datasets.** Given their complex employment history, members of the corporate elites represent a particularly difficult sample of donors to match to contribution records. Matching individuals from the 11,478 companies in the *Boardex* sample to contribution records in the DIME relying on individual's and company's name is likely to lead to a significant loss of information. A cursory inspection of the contributions

[7]A corporation can lobby directly using its own in-house lobbyists, or hire a lobbying firm that lobbies on its behalf.

[8]Bertrand et al. (2018) use a company-level measure of lobbying expenditure to assign the issues of interest to a specific company. I rely on an industry-level measure to assign issues of interest to all the companies in the sample of corporate elites, since not all companies appear in the lobbying data.

[9]http://web.mit.edu/17.251/www/data_page.html

[10]Information on subcommittee assignment over the 1999-2014 period is from the Congressional Quarterly Almanacs.

data reveals that in many cases the corporate leaders of these 11,478 companies reported as employer one of their many other organizations.

To overcome this challenge, I develop a matching protocol which leverages information on the full employment histories of individuals in the *Boardex* sample. In the first step, I match each of the 263,668 individuals in the sample to the DIME by name, keeping the DIME identifiers when the name matches across the two datasets. In the second step, I keep only the DIME identifiers with an employer that matches one of the employers in the individual's full employment history. The resulting dataset includes each individual's contributions to federal and state elections, with information on the amount, date, and recipient of each contribution.

The empirical analysis of this paper focuses on donations to Members of the U.S. Congress. To carry out this analysis, I match the 11,478 companies in the sample to the sectoral classification used by the *Center for Responsive Politics* for the lobbying data, obtaining a list of the issues of interest to each company. I match the resulting dataset with the list of 1,070 MCs who were in Congress for at least one of the 2000-2014 election cycles, together with their committee/subcommittee assignment.

I obtain a final dataset with 416,266,102 unique individual-MC-cycle tuples (indexed by i, j, and t, respectively). Each of the 263,668 individual donors enters the dataset in all cycles in which she appears as director or senior executive of one of the 11,478 companies in the *Boardex* sample. Each of the 1,070 MCs enters the dataset in all cycles in which he holds a Congress seat. Each tuple i-j-t is characterized by two indicator variables: y_{ijt} records whether there was a donation from the individual to the MC in that election cycle; C_{ijt} records whether, in that election cycle, the MC sits on a committee with oversight on an issue of policy relevance for one of the individual's companies.

2.6. **Descriptive facts.** The data provide a picture of the degree of involvement of corporate elites in financing electoral campaigns. Panel A of Table 1 shows that over 29% of the 263,668 members of the corporate elites in the sample have made campaign donations, contributing a total of $3.4 billion.[11] Their involvement in campaign financing is considerably higher at the federal than at the state level.[12] 16.7% of them contributed at least once to sitting MCs, for a total of about $0.5 billion spent in donations. The degree

[11]The contribution rate is likely underestimated, given that some of the individuals in the sample are not American citizens and were therefore prevented from contributing. Unfortunately, I do not have reliable information on individuals' nationality. Note that this does not represent an important concern for the main analysis of the paper, which controls for individual fixed effects.

[12]Donations in federal elections include donations to presidential and congressional races, as well as to PACs active in federal elections. Donations in state elections include donations to gubernatorial and state legislative races, as well as to PACs active in state elections.

of participation in campaign financing of the members of the corporate elites is extraordinarily high when compared to the general population. As a comparison, less than 1% of adult Americans contributed to federal elections in each election cycle between 2000 and 2014.[13]. Overall, contributions from the individuals in the sample account for about 10% of all donations over this period.

Panel B reports individual-level summary statistics on contributions from the corporate elites. The average amount donated over the 2000-2012 election cycles is $12,869, with a mean of about $43,000 and a median of $5575 conditional on being a donor. Most of the recipients are candidates, as opposed to PACs. The average contribution to MCs, who are at the center of the analysis in the paper, amounts to $1,875, with an average of $11,232 and a median of $2,500 in the sample of individuals who donated to MCs over this period.

Panel C reports summary statistics for the individual-MC-Cycle-level analysis of the next sections. On average, corporate leaders donate to 0.2 MCs per cycle, with a standard deviation of 1.1. The mean (and median) number of MCs who are relevant for an individual's company is 225.

3. Research Design

In this section, I present a simple linear model of demand (Heckman and Snyder. Jr., 1997) to formalize the identification assumptions behind the research design. At each time t (indexing an electoral term), each member i of the corporate elites decides whether to donate or not to a MC j. The difference in utility between donating and not donating is:

$$U_{ijt} = -(\nu_i - \nu_j)^2 + \beta C_{ijt} + \bar{u}_{ijt} - \eta_{ijt} \tag{3.1}$$

The terms ν_i and ν_j in 3.1 are the exogenous ideologies of i and j, respectively, with $(\nu_i - \nu_j)^2$ capturing i's higher utility from donating to a MC j whose ideology is closer to her own. The key variable of interest is C_{ijt}, the indicator taking value one if MC j sits on a committee of interest to i's company at time t. The term β captures i's incentive to donate strategically to influence MCs who are relevant to her company. The individual-MC time-varying taste parameter $\bar{u}_{ijt}$ is known to potential donors, but not necessarily to the econometrician. The term η_{ijt} is a utility shock, and I assume that $\eta_{ijt} \sim \text{Uniform}(0, 1)$.

[13]See the *Center for Responsive Politics*, https://www.opensecrets.org/overview/donordemographics.php?cycle=2014&filter=A

I specify the taste parameter $\bar{u}_{ijt}$ as:

$$\bar{u}_{ijt} = \bar{u}_{ij} + \delta_{jt} + \xi_{it} + \epsilon_{ijt} \tag{3.2}$$

The term $\bar{u}_{ij}$ is an unobservable varying at the individual-MC-level, capturing time-invariant characteristics affecting i's utility from donating to j, such as personal ties between i and j or common interest in specific policy issues. The term δ_{jt} is an unobservable capturing j's characteristics that affect all potential donors at time t in the same way, such as j's power within the party at a specific point in time. Finally, ξ_{it} captures i's unobservable's willingness to finance political campaigns at time j, and ϵ_{ijt} is an individual-MC-time-level unobservable.

Combining 3.1 and 3.2, the probability that $U_{ijt} > 0$, so that i donates to MC j during electoral term t, is:

$$y_{ijt} = \alpha_{ij} + \delta_{jt} + \xi_{it} + \beta C_{ijt} + \epsilon_{ijt} \tag{3.3}$$

where $\alpha_{ij} = \bar{u}_{ij} - (\nu_i - \nu_j)^2$.

Under the assumption that $E(\epsilon_{ijt}|\alpha_{ij}, \delta_{jt}, \xi_{it}, C_{ijt}) = 0$, I consistently estimate the key parameter of interest β via an OLS regression in which the dependent variable is an indicator equal to one if we observe a donation for the tuple i-j-t, controlling for fixed effects for each individual-MC (α_{ij}), for each individual-election cycle (ξ_{it}), and for each MC-election cycle (δ_{jt}).[14] I allow for correlation in the error term ϵ_{ijt} within each $i - j$ pair.[15]

The model makes a series of restrictive assumptions. For instance, I assume that an individual's overall utility is additive over potential donations, essentially ruling out complementarity or substitutability among donations to different MCs.

Crucially, I assume that there are no unobserved factors correlated with both donations, y_{ijt}, and assignment to committees of interest, C_{ijt}. The inclusion of the restrictive sets of fixed effects in equation 3.3 rules out a number of important concerns. For instance, MCs who are particularly interested in specific issues will be more likely to seat on committees with jurisdiction over those policy areas, and at the same time attract donations from individuals who, given the industry in which they are employed, are also likely to be interested in the same issues. To the extent that these interests are time-invariant,

[14]The results using the logarithm of the amount of donations are very similar, and reported in the Appendix. Indeed, most of the variation in donations is on the extensive margin (the decision of whether to donate or not to a MC) rather than on the intensive margin (the decision of how much to give conditional on donating).

[15]I allow patterns of donations to differ across Congressional chambers. To decrease the notational burden, throughout the paper I refer to individual-MC, MC-cycle, and individual-cycle fixed effects, but I actually include individual-MC-chamber, MC-cycle-chamber, and individual-cycle-chamber fixed effects.

they are captured by individual-MC fixed effects. Similarly, a MC's appointment to an important committee may signal his quality and thus attract more contributions if donors value candidates' quality (Grimmer and Powell, 2016), but to the extent that this signal affects similarly all donors it will be controlled for by MC-election cycle fixed effects, δ_{jt}. MC-election cycle fixed effects also control for the fact that changes in committee assignment are correlated with changes in majority party status, which may in turn lead to a generalized shock to MCs' ability to attract donations.

Two relevant threats to this identification assumption cannot be eliminated by the fixed effects included in 3.3. First, it is possible that some MCs may progressively develop an interest in specific issues over time (or become progressively more favorable to specific industries), which makes them increasingly likely to attract donations from individuals who also share the same interest and views on those issues. To the extent that these time-varying taste shocks also prompt MCs to seek assignment to committees with a specific jurisdiction, the inclusion of individual-MC fixed effects is not sufficient to eliminate upward bias in the estimate of β.[16] Second, the model ignores the possibility that donations to a MC may affect his committee assignment. This represents a threat to identification if donors interested in an issue target specific MCs with the goal of influencing their assignment to committees overseeing that issue.

To address these concerns, I also exploit the precise timing of a MC's appointment to a committee of interest to an individual. Both concerns outlined above imply that we should see pre-trends in the likelihood that an individual contributes to a MC who eventually joins a committee of interest to her company. As I instead show, there is no evidence of pre-trends, and the estimated effect that I find is driven by a sharp on-impact change in the likelihood of donations.

4. Estimates of the Influence-Seeking Motive

4.1. **Main results.** Table 2 reports the estimates of coefficient β from equation 3.3.[17] To assess the magnitude of the estimated effects, the row "Donated if $C_{ijt} = 0$" reports the mean of the dependent variable if the MC is *not* on a committee of interest, and the row "% increase" reports the size of the estimated β relative to this baseline mean.

In column 1, I start by presenting estimates from a specification without any additional control, to gauge the simple gap between corporate elites' donations to MCs who seat on

[16]Conditional on a MC being interest in a specific committee, the exact timing of committee appointment is difficult to anticipate: it depends primarily on available openings, which in turn are influenced by election results, and by possible increases in committee size (Munger, 1988).

[17]Each individual donates at most to few MCs in an election cycle (on average, to 0.2 MCs), resulting in a very high number of zeros in the dependent variable. To ease the interpretation of the magnitude of the effect, I multiply the indicator variable *Donated* by 1000.

a committee of interest to their companies and donations to all other MCs. A MC's assignment to a committee of interest to their companies is a key predictor of corporate elites' contributions: the probability of donations to these MCs is 79% higher relative to the probability of donating to MCs who do not sit on such committees. In light of the discussion in the previous section, this gap is likely driven by multiple factors, not only by corporate elites' influence-seeking motive.

The following columns include increasingly more stringent sets of fixed effects, building up to the full specification described in equation 3.3. In the specification in column 2, which includes individual-MC fixed effects, the estimated β decreases by about 75%, but remains statistically significant and large in magnitude. This reduction in the estimated β reveals that MCs who seat on committees of relevance to an industry are always more likely to receive donations from individuals in those industries, also in years in which they do not seat on such committees. This is consistent with selection into specific committees based on a MC's ideology and expertise, which is in turn correlated with donations from individuals with similar ideological position and policy interests. In column 3 I additionally include MC-election cycle fixed effects. This further reduces the estimated β, but its magnitude is still substantial, corresponding to 15% of the baseline mean. The reduction in the estimated β between column 2 and 3 can be rationalized by the fact that MCs who obtain seats in highly relevant committees acquire visibility, and thus ability to attract more donations from all donors, irrespective of an individual's industry. The inclusion of individual-election cycle fixed effects in column 4 affects the estimated β only marginally.

The estimate from the full specification of equation 3.3 reveals that a MC's assignment to a committee of interest to a corporate leader's company increases the probability of donation by 13%. We can interpret the ratio of the coefficients in column 4 and column 1 as the share of the gap between corporate elites' donations to "relevant" versus "other" MCs that is driven by the influence-seeking motive: following this calculation, 16% (0.0384/0.2416) of this gap is driven by corporate elites' strategic incentive to influence MCs.

The Appendix provides a number of additional results and robustness tests. Appendix Table A1 shows results using as dependent variable the logarithm of the amount of donations. Appendix Table A2 shows results using an alternative version of C_{ijt} calculated using a time-varying measure of an industry's issues of interest. Appendix Table A3 reports results when restricting the sample only to individuals who donated at least once to a MC over the 2000-2014 period. Appendix Table A4 reports separate estimates for board members and other senior executives.[18]

[18]The estimates of the influence-seeking motive are significant for both group of corporate leaders, and larger among senior executives who are not members of the board.

4.2. **Heterogeneous effects.** Columns 1 and 2 of Table 3 report estimates from equation 3.3 for members of the House and Senators, respectively. The estimate of the influence-seeking motive is significant for both chambers. The average probability of donation is lower among House members (0.2315 vs. 0.9205), but, relative to this baseline probability, the estimated coefficient is significantly larger among them (14% vs. 7%). In other words, while the corporate elites are less likely to donate to House members than to Senators, donations to the former group of MCs are more sensitive to their assignment to a committee of interest.

Columns 3 and 4 show that the estimated influence-seeking motive is significantly stronger for MCs who have more power within the committee. Column 3 shows that corporate leaders are 18% more likely to donate to a majority-party MC when the MC is on a relevant committee, while the corresponding effect among minority-party MCs is a significantly smaller 5%. Column 4 shows that corporate elites particularly value donations to the chairs of a committee of interest to their companies. Majority party MCs who are simple committee members have a 14% higher probability of receiving a donation from corporate leaders in industries over which their committee has oversight. The corresponding effect among MCs who chair a committee is 78%.

Finally, Figure 1 shows how the estimates differ across corporate leaders employed in different sectors. I estimate a version of equation 3.3 with C_{ijt} interacted with 11 dummies, one for each of the broad sectors in the *Center for Responsive Politics* classification. The figure plots the estimated β coefficients, where each sector-specific estimate is normalized by the baseline probability of donations in each sector.[19] The estimated effects are significant across a wide range of industries. The largest effects (relative to the baseline probability of donations by corporate leaders from those sectors) are found for corporate leaders employed in the defense, health, and finance/insurance/real estate industries.

4.3. **Timing of the effect.** As described in Section 3, potential threats to the identification assumption predict that we should observe pre-trends in the likelihood that an individual contributes to a MC who eventually joins a committee of interest to her company. In this section, I formally test whether this is the case, exploiting the precise timing of a MC's appointment to a committee of interest to an individual's company. Specifically, I focus on donations to members of the House who joined a committee of interest to an

[19]As some corporate leaders in the sample are employed in multiple industries, I estimate a regression at the individual-company-MC-cycle level, with individual-company-MC fixed effects, and MC-cycle fixed effects.

individual on or after 2006, for which I can observe three cycles of data before the committee assignment.[20] For each $\tau = \{2006, 2008, 2010, 2012, 2014\}$ I restrict the estimation to the window $t \in [\tau - 3, \tau]$, and I divide individual-MC pairs into two groups: "Treated" pairs are those for which $C_{ijt} = 1$ for $t = \tau$ and $C_{ijt} = 0$ for $t \in [\tau - 3, \tau - 1]$; "Control" pairs are those for which $C_{ijt} = 0$ for $t \in [\tau - 3, \tau - 1]$ as well as for $t = \tau$. That is, for each event window τ, the "Treated" pairs are those in which the MC becomes "relevant" to the individual in cycle τ, while the "Control" pairs are those in which the MC is "relevant" to the individual neither in cycle τ nor in the three previous cycles.

I estimate the following equation:

$$y_{ijt\tau} = \alpha_{ij\tau} + \delta_{t\tau} + \sum_{t=\tau-3}^{\tau} \beta^t C_{ijt\tau} + \epsilon_{ijt\tau} \tag{4.1}$$

where $\alpha_{ij\tau}$ are individual-MC-event window fixed effects, $\delta_{t\tau}$ are election cycle-event window fixed effects, and I allow the effect of $C_{ijt\tau}$ on the probability of donation to vary flexibly over time.

The left panel of Figure 2 plots the average of the dependent variable among control and treated individual-MC pairs. Two patterns emerge from the raw data. First, MCs who will be appointed to a committee are more likely to attract donations from corporate leaders in industries related to that committee even before the cycle of appointment. This is consistent with the reduction in the β coefficient as we move from column 1 to column 2 of Table 2. Second, there is no evidence of differential pre-trends between treated and control individual-MC pairs. At the time of appointment to a committee, there is a sharp on-impact increase in the likelihood that the MC receives donations from corporate leaders in relevant industries. These patterns are confirmed by the estimated β^t from equation 4.1 (right panel of Figure 2). This evidence assuages concerns about possible threats to the identification assumption behind the research design.

5. Conclusion

This paper investigates whether campaign donations by the corporate elites should be solely seen as a form of consumption driven by ideological considerations, or whether they should also be considered an influence-seeking tool of corporate political influence. The analysis is based on a novel dataset on the campaign contributions to Members of the U.S. Congress made by 263,668 corporate directors and executives of 11,478 U.S. public

[20] I focus on the House, since Senators' six-year terms (spanning three election cycles) imply that they receive most of their donations in the election cycle in which they are up for reelection. Members of the House, on the other side, have a two-year term: this incentive to campaign in every election cycle is crucial to accurately measure the precise timing of a donor's response to committee appointments.

and large private corporations over the 2000-2014 period. The research design leverages time variation in a MC's ability to affect policies of interest to an individual's corporation, and allows to control for a host of unobserved sources of heterogeneity that may drive donations by a corporate leader to a specific MC.

Estimating the model on a panel of 416,266,102 individual-MC-cycle tuples, I find that the likelihood that corporate elites donate to a MC increases by 13% when the MC becomes relevant to their corporation. This suggests that at least 16% of the overall gap in corporate elites' donations across MCs of different relevance to their industry is driven by an influence-seeking motive. This effect is significantly stronger for donations to majority party MCs and committee chairs, namely the MCs who hold more power within the committee, which is further suggestive of a strategic use of donations by corporate leaders.

When coupled with recent evidence on the use of charitable giving as a corporate tool of political influence (Bertrand et al., 2018), these results speak to the use of multiple, often less visible avenues, of corporate investment to influence and seek access to legislators.

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TABLE 1. **Descriptive Facts on Corporate Elites' Contributions – 1999-2014 period**

Panel A: Aggregate Statistics, 1999-2014 period

	Any Election	Federal Elections	State Elections	To Members of Congress
Share corporate elites who donated (%)	29.7	28.1	16.2	16.7
Total donations by corporate elites (B)	3.40	2.29	0.78	0.49
Total donations by all U.S. donors (B)	32.78	22.15	7.97	4.99
Share of total donations by corporate elites (%)	10.37	10.34	9.79	9.82

Panel B: Summary Statistics on 263,668 Corporate Elites Members

	Mean	Std. Dev.	Median	Mean if donated	Median if donated
Amount donated	12895.5	249592.4	0	43406.7	5575
Candidates supported	2.0	8.6	0	6.7	2
PACs supported	0.8	2.9	0	2.6	1
Amount donated federal	8691.2	114006.8	0	30944.6	5000
Amount donated state	2975.0	131855.9	0	18417.1	1800
Amount donated MCs	1875.9	12835.9	0	11232.9	2500
MCs supported	0.8	3.8	0	4.7	2

Panel C: Summary Statistics for Individual-MC-Cycle Analysis

	Mean	Std. Dev.	Median
MCs supported per cycle	0.2	1.1	0
Relevant MCs per cycle	225.9	53.1	225

Notes: Panel A shows, for different types of elections, the share of members of the corporate elites in the sample who contributed, the aggregate amount donated (in billions USD), the aggregate amount donated by all the donors in the DIME (in billions USD), and the share of overall donations accounted for by members of the corporate elites. Panel B shows summary statistics on donations by the members of the corporate elites in the sample. Panel C reports summary statistics at the individual-MC-election cycle level.

TABLE 2. **Estimates of the influence-seeking motive**

	(1) Donated	(2) Donated	(3) Donated	(4) Donated
Relevant Committee ($C_{ijt} = 1$)	0.2416***	0.0613***	0.0467***	0.0384***
	(0.000)	(0.000)	(0.000)	(0.000)
Donated if $C_{ijt} = 0$	0.3050	0.3050	0.3050	0.3050
% Increase	79%	20%	15%	13%
Observations (millions)	416	416	416	416
Num. Individuals	263,668	263,668	263,668	263,668
Num. Companies	11,478	11,478	11,478	11,478
Num. MCs	1,070	1,070	1,070	1,070
Individual-MC FE		✓	✓	✓
MC-Cycle FE			✓	✓
Individual-Cycle FE				✓

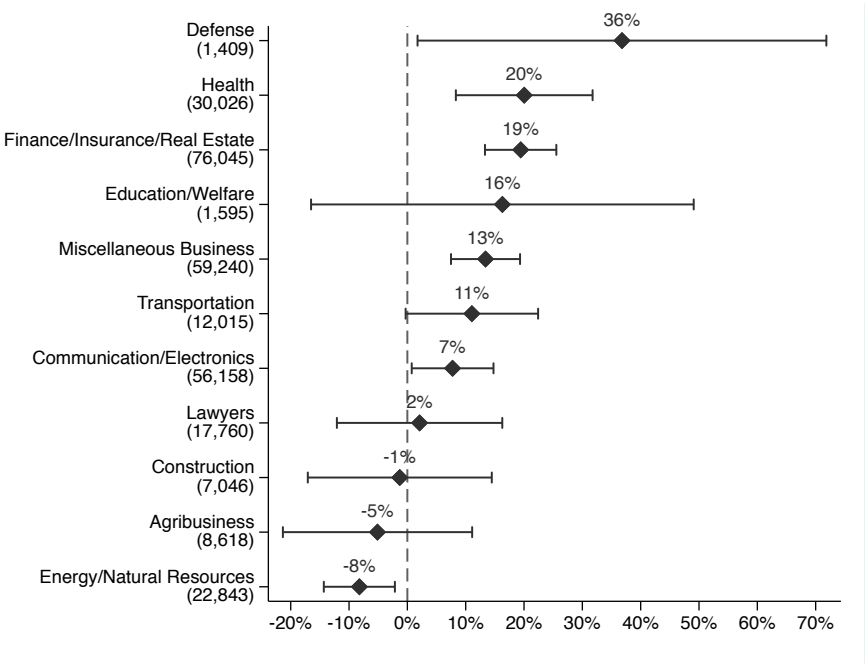
Notes: The outcome variable is an indicator equal to one if the individual donated to the MC in the election cycle. The variable "Relevant Committee ($C_{ijt} = 1$)" is an indicator equal to one if the MC sits in a committee of interest to one of the individual's companies. The outcome variable is multiplied by 1000 in all columns. See Section 2 for additional details on the variables construction. "Donated if $C_{ijt} = 0$" is the mean of the dependent variable if the MC is not on a committee of interest. "% increase" report the size of the estimated β relative to this baseline mean. Standard errors clustered by individual-MC pair. P-values in parentheses. $^{***}p < 0.001$, $^{**}p < 0.05$, $^{*}p < 0.1$

TABLE 3. **Estimates of the influence-seeking motive – Heterogeneity by chamber and majority status**

	(1) Donated	(2) Donated	(3) Donated	(4) Donated
Relevant Committee ($C_{ijt} = 1$)	0.0328***	0.0634***	0.0153**	0.0194***
	(0.000)	(0.005)	(0.027)	(0.005)
Relevant Committee ($C_{ijt} = 1$) × Majority			0.0436***	0.0270***
			(0.000)	(0.000)
Relevant Committee ($C_{ijt} = 1$) × Chair				0.2347***
				(0.000)
Sample:	House	Senate	All	All
Donated if $C_{ijt} = 0$	0.2315	0.9205		
Donated if $C_{ijt} = 0$ and Minority=1			0.2849	0.2849
Donated if $C_{ijt} = 0$ and Majority=1			0.3228	0.3225
Donated if $C_{ijt} = 0$ and Chair=1				0.3244
% Increase	14%	7%		
% Increase Minority			5%	7%
% Increase Majority			18%	14%
% Increase Chair				78%
Observations (millions)	339	77.5	416	416
Num. Individuals	263,668	263,668	263,668	263,668
Num. Companies	11,478	11,478	11,478	11,478
Num. MCs	906	198	1,070	1,070

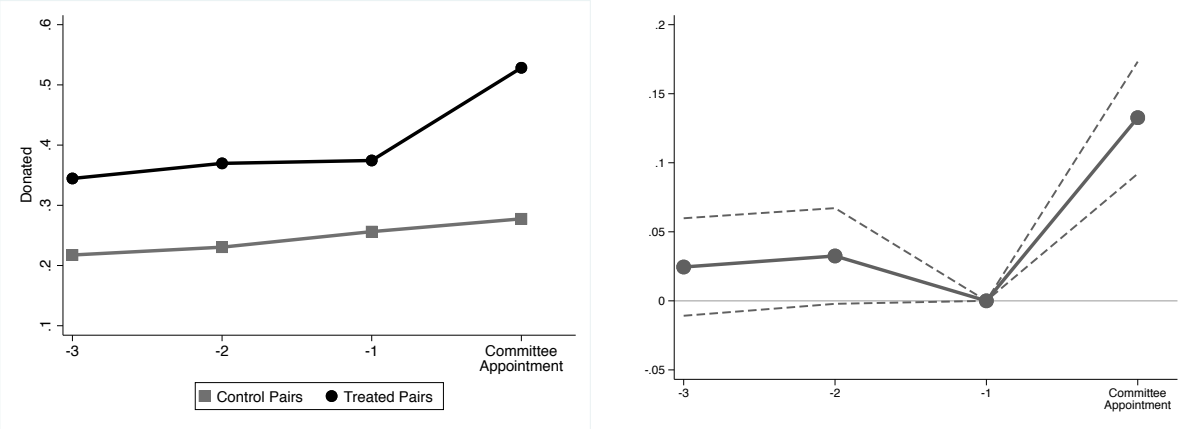
Notes: The outcome variable is an indicator equal to one if the individual donated to the MC in the election cycle. The variable "Relevant Committee ($C_{ijt} = 1$)" is an indicator equal to one if the MC sits in a committee of interest to one of the individual's companies. The variables "Majority"/"Chairman" are indicators equal to one if the MC is from the majority party in the chamber but not the chair of the relevant committee, and if the MC is chairman of the relevant committee, respectively. All specifications include individual-MC, MC-cycle, and individual-cycle fixed effects. "Donated if $C_{ijt} = 0$" is the mean of the dependent variable if the MC is not on a committee of interest. "Donated if $C_{ijt} = 0$ and Minority=1" is the mean of the dependent variable if the MC is not on a committee of interest and is from the minority party. "Donated if $C_{ijt} = 0$ and Majority=1" is the mean of the dependent variable if the MC is not on a committee of interest and is from the majority party (in column 3), or from the majority party but not a committee chair (in column 4). "Donated if $C_{ijt} = 0$ and Chair=1" is the mean of the dependent variable if the MC is not on a committee of interest but is the chair of another committee. "% Increase", "% Increase Majority", and "% Increase Chair" report the size of the estimated β relative to the baseline mean for the respective group. Standard errors clustered by individual-MC pair. P-values in parentheses. $^{***}p < 0.001$, $^{**}p < 0.05$, $^{*}p < 0.1$

FIGURE 1. **Heterogeneity Across Sectors**



Notes: The figure plots the estimated sector-specific β coefficients, normalized by the baseline probability of donations from individuals in the industry to MCs in non-relevant committees. Estimates are from a regression at the individual-company-MC-cycle level, with the indicator for donations regressed on "Relevant Committee ($C_{ijt} = 1$)" interacted with dummies for each sector, individual-company-MC fixed effects, and MC-cycle fixed effects. 95% confidence intervals are based on standard errors clustered by individual-company-MC. The number of individuals in each sector is indicated in parentheses.

FIGURE 2. **Committee Appointment and Timing of the Effect**



Notes: The left panel plots the average of the residuals from a regression of the indicator for donation on event window fixed effects, separately for control and treated individual-MC pairs. The right panel plots the estimated coefficients β^t from the estimation of equation 4.1, with 95% confidence intervals. Standard errors clustered by individual-MC pair.

ONLINE APPENDIX

Appendix A.1. Additional Results

Table A1. **Estimates of the influence-seeking motive – Log amount donated**

	(1) Log Amount Donated	(2) Log Amount Donated	(3) Log Amount Donated	(4) Log Amount Donated
Relevant Committee ($C_{ijt} = 1$)	0.00170***	0.00046***	0.00033***	0.00027***
	(0.000)	(0.000)	(0.000)	(0.000)
Donated if $C_{ijt} = 0$	0.0021	0.0021	0.0021	0.0021
% Increase	81%	22%	16%	13%
Observations (millions)	416	416	416	416
Num. Individuals	263,668	263,668	263,668	263,668
Num. Companies	11,478	11,478	11,478	11,478
Num. MCs	1,070	1,070	1,070	1,070
Individual-MC FE		✓	✓	✓
MC-Cycle FE			✓	✓
Individual-Cycle FE				✓

Notes: The outcome variable is the log of one plus the amount donated by the individual to the MC in the election cycle. The variable "Relevant Committee ($C_{ijt} = 1$)" is an indicator equal to one if the MC sits in a committee of interest to one of the individual's companies. See Section 2 for additional details on the variables construction. "Donated if $C_{ijt} = 0$" is the mean of the dependent variable if the MC is *not* on a committee of interest. "% increase" report the size of the estimated β relative to this baseline mean. Standard errors clustered by individual-MC pair. P-values in parentheses. $^{***}p < 0.001$, $^{**}p < 0.05$, $^{*}p < 0.1$

TABLE A2. **Estimates of the influence-seeking motive – Alternative relevance measure**

	(1) Donated	(2) Donated	(3) Donated	(4) Donated
Relevant Committee ($C_{ijt} = 1$)	0.2969***	0.1089***	0.0343***	0.0313***
	(0.000)	(0.000)	(0.000)	(0.000)
Donated if $C_{ijt} = 0$	0.3404	0.3404	0.3404	0.3404
% Increase	87%	32%	10%	9%
Observations (millions)	416	416	416	416
Num. Individuals	263,668	263,668	263,668	263,668
Num. Companies	11,478	11,478	11,478	11,478
Num. MCs	1,070	1,070	1,070	1,070
Individual-MC FE		✓	✓	✓
MC-Cycle FE			✓	✓
Individual-Cycle FE				✓

Notes: The outcome variable is an indicator equal to one if the individual donated to the MC in the election cycle. The variable "Relevant Committee ($C_{ijt} = 1$)" is an indicator equal to one if the MC sits in a committee of interest to one of the individual's companies. In this table, "Relevance" is defined based on the industry's top lobbied issue in the election cycle. The outcome variable is multiplied by 1000 in all columns. See Section 2 for additional details on the variables construction. "Donated if $C_{ijt} = 0$" is the mean of the dependent variable if the MC is not on a committee of interest. "% increase" report the size of the estimated β relative to this baseline mean. Standard errors clustered by individual-MC pair. P-values in parentheses. $^{***}p < 0.001$, $^{**}p < 0.05$, $^{*}p < 0.1$

TABLE A3. **Estimates of the influence-seeking motive – Only corporate leaders who donated to an MC during 2000-2014**

	(1) Donated	(2) Donated	(3) Donated	(4) Donated
Relevant Committee ($C_{ijt} = 1$)	1.1997***	0.2539***	0.1705***	0.1537***
	(0.000)	(0.000)	(0.000)	(0.000)
Donated if $C_{ijt} = 0$	1.6804	1.6804	1.6804	1.6804
% Increase	71%	15%	10%	9%
Observations (millions)	77	77	77	77
Num. Individuals	32,605	32,605	32,605	32,605
Num. Companies	9,422	9,422	9,422	9,422
Num. MCs	1,070	1,070	1,070	1,070
Individual-MC FE		✓	✓	✓
MC-Cycle FE			✓	✓
Individual-Cycle FE				✓

Notes: The outcome variable is an indicator equal to one if the individual donated to the MC in the election cycle. The variable "Relevant Committee ($C_{ijt} = 1$)" is an indicator equal to one if the MC sits in a committee of interest to one of the individual's companies. The outcome variable is multiplied by 1000 in all columns. See Section 2 for additional details on the variables construction. "Donated if $C_{ijt} = 0$" is the mean of the dependent variable if the MC is *not* on a committee of interest. "% increase" report the size of the estimated β relative to this baseline mean. Standard errors clustered by individual-MC pair. P-values in parentheses. $^{***}p < 0.001$, $^{**}p < 0.05$, $^{*}p < 0.1$

TABLE A4. **Estimates of the influence-seeking motive – Board members vs. other senior executives**

Sample:	(1) Directors Donated	(2) Directors Donated	(3) Directors Donated	(4) Directors Donated	(5) Other Donated	(6) Other Donated	(7) Other Donated	(8) Other Donated
Relevant Committee ($C_{ijt} = 1$)	0.3778***	0.0864***	0.0655***	0.0556***	0.1501***	0.0384***	0.0286***	0.0291***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Donated if $C_{ijt} = 0$	0.6185	0.6185	0.6185	0.6185	0.1511	0.1511	0.1511	0.1511
% Increase	61%	14%	11%	9%	99%	25%	19%	19%
Observations (millions)	149	149	149	149	274	274	274	274
Num. Individuals	84,658	84,658	84,658	84,658	193,241	193,241	193,241	193,241
Num. Companies	11,454	11,454	11,454	11,454	11,250	11,250	11,250	11,250
Num. MCs	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070
Individual-MC FE		✓	✓	✓				
MC-Cycle FE			✓	✓				
Individual-Cycle FE				✓				

Notes: The outcome variable is an indicator equal to one if the individual donated to the MC in the election cycle. The variable "Relevant Committee ($C_{ijt} = 1$)" is an indicator equal to one if the MC sits in a committee of interest to one of the individual's companies. The outcome variable is multiplied by 1000 in all columns. See Section 2 for additional details on the variables construction. "Donated if $C_{ijt} = 0$" is the mean of the dependent variable if the MC is *not* on a committee of interest. "% increase" report the size of the estimated β relative to this baseline mean. Standard errors clustered by individual-MC pair. P-values in parentheses. $^{***}p < 0.001$, $^{**}p < 0.05$, $^{*}p < 0.1$

Appendix A.2. Data construction

In this appendix I detail the data construction process. I provide details on *(i)* the *Boardex* data, *(ii)* the matching of corporate leaders to campaign contributions data, *(iii)* the matching of companies in *Boardex* to the sectors contained in the *Center for Responsive Politics* lobbying data, *(iv)* the use of lobbying data and committee assignment to identify MCs dealing with issues of interest to an individual's company.

A1.1. ***Boardex* data.** I use data on corporate leaders of U.S. public and large private corporations from *Boardex*. *Boardex* collects data on board members and senior executives of almost every publicly listed company across the world and of notable private companies. The data coverage starts in 1999. *Boardex* refers to this core sample of firms as the "fully analyzed organizations". I keep all the U.S. companies covered in the dataset.

Boardex builds a full profile of individuals in the "fully analyzed organizations", collecting information on their full history regarding employment. These individual profiles include also organizations that are not part of the "fully analyzed organizations". *Boardex* uses this information to map the network of these individuals. I use this full list of organizations to match individuals to their contributions in U.S. elections.

Boardex also provides the CIK and Ticker codes of "fully analyzed organizations", as well their sector, relying on a 48 sectors classification.

The final analysis further restricts the sample to companies appearing before 2015 (since the 2013-2014 election cycle is the last one included in the contributions data), and drops the 27 companies whose sector cannot be matched to the sectoral classification used in the *Center for Responsive Politics* lobbying data.

Table A5 provides the distribution of sectors for the companies in the sample used in the analysis. Note that the categorization in sectors is different than the one used by the *Center for Responsive Politics* lobbying data, as described below. Table A6 provides summary statistics for the corporate leaders used in the analysis.

TABLE A5. **Distribution of sectors of the companies in the sample**

Sector	Number	%
Software & Computer Services	1,157	10.08%
Pharmaceuticals and Biotechnology	949	8.27%
Banks	936	8.15%
Health	757	6.60%
Electronic & Electrical Equipment	614	5.35%
Business Services	584	5.09%
Oil & Gas	540	4.70%
Speciality & Other Finance	517	4.50%
Real Estate	369	3.21%
Private Equity	366	3.19%
Engineering & Machinery	301	2.62%
Telecommunication Services	291	2.54%
Media & Entertainment	281	2.45%
Information Technology Hardware	280	2.44%
Leisure & Hotels	273	2.38%
General Retailers	269	2.34%
Chemicals	262	2.28%
Insurance	221	1.93%
Transport	207	1.80%
Construction & Building Materials	200	1.74%
Investment Companies	195	1.70%
Food Producers & Processors	182	1.59%
Renewable Energy	175	1.52%
Mining	167	1.45%
Utilities - Other	138	1.20%
Clothing, Leisure and Personal Products	137	1.19%
Blank Check / Shell Companies	99	0.86%
Electricity	97	0.85%
Aerospace & Defence	93	0.81%
Automobiles & Parts	89	0.78%
Household Products	88	0.77%
Steel & Other Metals	88	0.77%
Legal	77	0.67%
Wholesale Trade	65	0.57%
Consumer Services	63	0.55%
Publishing	58	0.51%
Food & Drug Retailers	52	0.45%
Forestry & Paper	50	0.44%
Education	47	0.41%
Beverages	38	0.33%
Diversified Industrials	35	0.30%
Life Assurance	31	0.27%
Containers & Packaging	29	0.25%
Tobacco	10	0.09%
Sovereign Wealth Fund	1	0.01%
Total	11,478	100.00%

TABLE A6. **Summary statistics on the corporate leaders in the sample**

Panel A: Statistics at the corporate leader - election cycle level					
	Mean	Median	Std. Dev.	Min	Max
Total companies	1.15	1	0.78	1	47
Total public companies	1.15	1	0.82	1	47
Board member	0.36	0	0.48	0	1
Total board positions	0.47	0	0.84	0	47
Panel B: Statistics at the corporate leader level					
	Mean	Median	Std. Dev.	Min	Max
Total companies	1.31	1	1.03	1	48
Total public companies	1.31	1	1.06	1	48
Board member	0.32	0	0.46	0	1
Total board positions	0.48	0	1.03	0	48
Total employers	6.55	5	5.60	1	208

Notes: Total companies (*Total public companies*) are a corporate leader's number of companies (of companies that were publicly listed for at least part of the sample period) in the core sample of firms. *Board member* is an indicator equal to one if the corporate leader seats on a board of a company in the core sample of firms. *Total board positions* is the total number of boards in the core sample of firms for the corporate leader. *Total employers* is the total number of organizations of the corporate leader over her career. Panel A reports statistics at the corporate leader - election cycle level, while Panel B reports statistics at the corporate leader level.

A1.2. **Matching corporate leaders to contributions records.** In this section I provide additional details on the matching between the corporate leaders in the sample of 11,478 U.S. companies to the campaign contribution records. I do so in eights steps. In each step, corporate directors are matched to the contribution records by their name and by one of their employers reported in the *Boardex* data. Specifically, I perform the following steps:

- First Name + Midname + Last Name + Suffix + Perfect Match by Employer Name
- First Name + Midname + Last Name + Perfect Match by Employer Name
- First Name + Last Name + Suffix + Perfect Match by Employer Name
- First Name + Last Name + Perfect Match by Employer Name
- First Name + Midname + Last Name + Suffix + Fuzzy Match by Employer Name
- First Name + Midname + Last Name + Fuzzy Match by Employer Name
- First Name + Last Name + Suffix + Fuzzy Match by Employer Name
- First Name + Last Name + Perfect Fuzzy by Employer Name

In steps 5-8 I allow for a fuzzy matching between employer names across datasets using the Stata command *reclinlk* which employs a modified Bigram string comparator to assess commonality between strings. I keep only records with a matching score above 0.995, I discard all records with a matching score below 0.75, and I manually check the accuracy of matches for all records with a score between 0.75 and 0.995.

For each corporate leader, I keep all the DIME identifiers to whom she is matched, and I assign her all the contributions associated with these DIME identifiers. 0.4% of DIME identifiers are matched to multiple corporate leaders; for these cases, I assign them to a corporate leader at random.

Table A7 summarizes the earliest step in which corporate leaders are matched to the contribution data.

TABLE A7. **Earliest step in which corporate leaders are matched**

Matching Step	Number of Individuals Matched
First + Middle + Last + Suffix + Company Name	2,697
First + Middle + Last + Company Name	38,317
First + Last + Suffix + Company Name	609
First + Last + Company Name	32,823
First + Middle + Last + Suffix + Fuzzy Company Name	110
First + Middle + Last + Fuzzy Company Name	2,127
First + Last + Suffix + Fuzzy Company Name	34
First + Last + Fuzzy Company Name	4,740
Never Matched	182,211

A1.3. **Matching to *Center for Responsive Politics* sectors classification.** The sectoral classification used by *Boardex* does not match the one used in the *Center for Responsive Politics* lobbying data. I match the companies in the sample to the *Center for Responsive Politics* classification in several step. First, I use information on a company CIK and Ticker codes to obtain information on their SIC code.[21] I then use a crosswalk between SIC codes and the sectors in the *Center for Responsive Politics* classification.[22] This procedure assigns a SIC code to 83% of observations in the sample. I match manually the remaining companies to the *Center for Responsive Politics* sector. I drop from the sample the 27 companies (accounting for 0.14% of overall observations in the sample) without a clear sector matching.

[21]As a data source for companies SIC codes I use Compustat Fundamental Annual North America dataset, and SEC filings (available at https://www.sec.gov/divisions/corpfin/organization/cfia.shtml.

[22]Available at https://docs.google.com/viewer?a=v&pid=forums&srcid=MTI1MDA4MDA2MTM5ODQwODk3MDYBMTY5ODYzODAwMzcyMDY0MDAzNzQBT2dKUUYxbnhkQkVKATAuMQEBdjI.

A1.4. **Lobbying data and Congressional committee assignment.** I use data on lobbying expenditures from the *Center for Responsive Politics* to assign the issues of greatest interest to an individual's company. I start with the universe of lobbying reports over the 2000-2014 election cycles. Each lobbying report lists the name of the clients, as well as their industry, and the issues that were the focus of lobbying. I assign to each industry the top three issues in terms of lobbying expenditures by all companies in that industry over the sample period. I use the intermediate sectoral classification by the *Center for Responsive Politics*, which assign the firms in the sample to one of 61 unique sectors. Since a lobbying record can be associated with multiple issues, in these cases I assign $1/N$ of the amount of expenditure to each issue, where N is the number of different issues in the record. Table A8 reports the top 3 relevant issues for each of the 61 *Center for Responsive Politics* sectors represented in the sample.[23]

I then match each industry to relevant MCs, defined as those assigned to committees with oversight over at least one of the industry's top 3 lobbies issues. I use the crosswalk constructed in Bertrand et al. (2014) between committees and issues in the lobbying reports. The crosswalk is available at https://assets.aeaweb.org/asset-server/articles-attachments/aer/app/10412/20121147_app.pdf. Since the Appropriations and Commerce committees in the House and Senate oversee a large number of different issues, for each MC on one of these two committees I consider the subcommittee to which the MC is assigned. I extend the crosswalk by assigning issues to each of the subcommittees in these two committees over the 2000-2014 election cycles (corresponding to Congresses 106-113). Table A9 reports this crosswalk.

[23]In the Appendix, I show the robustness of the results to using a time-varying industry-level measure of issues of interest, which assigns to each industry the top issue in terms of lobbying expenditures by all companies in the industry in the election cycle.

TABLE A8. **Top 3 relevant issues by sector**

Sector	Issue 1	Issue 2	Issue 3
Accountants	Accounting	Banking	Taxation/Internal Revenue Code
Agricultural Services/Products	Agriculture	Chemicals/Chemical Industry	Trade (Domestic & Foreign)
Air Transport	Aviation/Aircraft/ Airlines	Budget/Appropriations	Defense
Automotive	Automotive Industry	Taxation/Internal Revenue Code	Trade (Domestic & Foreign)
Beer, Wine & Liquor	Beverage Industry	Taxation/Internal Revenue Code	Trade (Domestic & Foreign)
Building Materials & Equipment	Environmental/Superfund	Taxation/Internal Revenue Code	Transportation
Business Services	Budget/Appropriations	Defense	Taxation/Internal Revenue Code
Casinos/Gambling	Budget/Appropriations	Gaming/Gambling/ Casino	Indian/Native American Affairs
Chemical & Related Manufacturing	Chemicals/Chemical Industry	Energy/Nuclear	Environmental/Superfund
Commercial Banks	Banking	Financial Institutions/Investments/Securities	Taxation/Internal Revenue Code
Construction Services	Budget/Appropriations	Defense	Transportation
Crop Production & Basic Processing	Agriculture	Environmental/Superfund	Trade (Domestic & Foreign)
Dairy	Agriculture	Food Industry (Safety, Labeling, etc.)	Trade (Domestic & Foreign)
Education	Budget/Appropriations	Defense	Education
Electric Utilities	Energy/Nuclear	Taxation/Internal Revenue Code	Utilities
Electronics Mfg & Equip	Budget/Appropriations	Computer Industry	Defense
Environmental Svcs/Equipment	Budget/Appropriations	Clean Air & Water Quality	Environmental/Superfund
Finance/Credit Companies	Banking	Education	Financial Institutions/Investments/Securities
Food & Beverage	Agriculture	Food Industry (Safety, Labeling, etc.)	Taxation/Internal Revenue Code
Food Processing & Sales	Agriculture	Food Industry (Safety, Labeling, etc.)	Trade (Domestic & Foreign)
Forestry & Forest Products	Energy/Nuclear	Taxation/Internal Revenue Code	Trade (Domestic & Foreign)
General Contractors	Budget/Appropriations	Energy/Nuclear	Transportation
Health Professionals	Budget/Appropriations	Health Issues	Medicare/Medicaid
Health Services/HMOs	Budget/Appropriations	Health Issues	Medicare/Medicaid
Home Builders	Energy/Nuclear	Housing	Taxation/Internal Revenue Code
Hospitals/Nursing Homes	Budget/Appropriations	Health Issues	Medicare/Medicaid
Insurance	Health Issues	Insurance	Taxation/Internal Revenue Code
Lawyers/Law Firms	Financial Institutions/Investments/Securities	Taxation/Internal Revenue Code	Torts
Livestock	Agriculture	Animals	Trade (Domestic & Foreign)
Lodging/Tourism	Immigration	Taxation/Internal Revenue Code	Travel/Tourism
Mining	Energy/Nuclear	Natural Resources	Taxation/Internal Revenue Code
Misc Agriculture	Agriculture	Immigration	Labor Issues/Antitrust/ Workplace
Misc Business	Law Enforcement/Crime/ Criminal Justice	Labor Issues/Antitrust/ Workplace	Taxation/Internal Revenue Code
Misc Defense	Budget/Appropriations	Defense	Homeland Security
Misc Energy	Budget/Appropriations	Energy/Nuclear	Taxation/Internal Revenue Code
Misc Finance	Banking	Financial Institutions/Investments/Securities	Taxation/Internal Revenue Code
Misc Health	Budget/Appropriations	Health Issues	Medicare/Medicaid
Misc Manufacturing & Distributing	Defense	Taxation/Internal Revenue Code	Trade (Domestic & Foreign)
Misc Services	Banking	Health Issues	Taxation/Internal Revenue Code
Misc Transport	Budget/Appropriations	Taxation/Internal Revenue Code	Transportation
Oil & Gas	Energy/Nuclear	Fuel/Gas/Oil	Taxation/Internal Revenue Code
Other	Budget/Appropriations	Education	Health Issues
Pharmaceuticals/Health Products	Copyright/Patent/ Trademark	Health Issues	Medicare/Medicaid
Poultry & Eggs	Agriculture	Food Industry (Safety, Labeling, etc.)	Trade (Domestic & Foreign)
Printing & Publishing	Copyright/Patent/ Trademark	Education	Postal

Railroads	Railroads	Taxation/Internal Revenue Code	Transportation
Real Estate	Banking	Housing	Taxation/Internal Revenue Code
Recreation/Live Entertainment	Budget/Appropriations	Sports/Athletics	Taxation/Internal Revenue Code
Retail Sales	Health Issues	Labor Issues/Antitrust/ Workplace	Taxation/Internal Revenue Code
Savings & Loans	Banking	Financial Institutions/Investments/Securities	Taxation/Internal Revenue Code
Sea Transport	Budget/Appropriations	Marine/Maritime/ Boating/Fisheries	Transportation
Securities & Investment	Banking	Financial Institutions/Investments/Securities	Taxation/Internal Revenue Code
Special Trade Contractors	Energy/Nuclear	Labor Issues/Antitrust/ Workplace	Taxation/Internal Revenue Code
Steel Production	Energy/Nuclear	Environmental/Superfund	Trade (Domestic & Foreign)
TV/Movies/Music	Advertising	Communications/ Broadcasting/Radio/TV	Copyright/Patent/ Trademark
Telecom Services	Communications/ Broadcasting/Radio/TV	Taxation/Internal Revenue Code	Telecommunications
Telephone Utilities	Budget/Appropriations	Taxation/Internal Revenue Code	Telecommunications
Textiles	Apparel/Clothing/Industry/Textiles	Defense	Trade (Domestic & Foreign)
Tobacco	Taxation/Internal Revenue Code	Tobacco	Trade (Domestic & Foreign)
Trucking	Taxation/Internal Revenue Code	Transportation	Trucking/Shipping
Waste Management	Budget/Appropriations	Environmental/Superfund	Waste (hazard/solid/interstate/nuclear)

TABLE A9. **Subcommittees and lobbying issues**

House 106 – Appropriations. Agricultural, Rural Development, FDA and related agencies – AGR FOO TOB ANI CDT
House 110-113; Senate 110-113 – Appropriations. Agriculture – AGR FOO TOB ANI CDT
Senate 109 – Appropriations. Agriculture and Rural Development – AGR FOO TOB ANI CDT
House 109 – Appropriations. Agriculture, Rural Development and FDA – AGR FOO TOB ANI CDT
House 107-108 – Appropriations. Agriculture, Rural Development, FDA and related agencies – AGR FOO TOB ANI CDT
Senate 106-108 – Appropriations. Agriculture, Rural Development, and related agencies – AGR FOO TOB ANI CDT
Senate 109 – Appropriations. Commerce, Justice and Science – LAW CON CPT IMM CIV TOR FIR BEV AUT APP ACC CSP ENG TEC FOO FUE ALC MMM MED ENV SPO TRD TOU HCR CAW WAS UTI PHA MAN ADV MIA CPI COM CDT CHM BEV AUT APP SCI
House 106-108; Senate 106-108 – Appropriations. Commerce, Justice, State and judiciary – LAW CON CPT IMM CIV TOR FIR FOR ECN REL ACC CSP ENG TEC FOO FUE ALC MMM MED ENV SPO TRD TOU HCR CAW WAS UTI PHA MAN ADV MIA CPI COM CDT CHM BEV AUT APP
House 110-113 – Appropriations. Commerce-Justice-Science – LAW CON CPT IMM CIV TOR FIR AUT APP SCI ACC CSP ENG TEC FOO FUE ALC MMM MED ENV SPO TRD TOU HCR CAW WAS UTI PHA MAN ADV MIA CPI COM CDT CHM BEV
Senate 110-113 – Appropriations. Commerce-Justice-Science – LAW CON CPT IMM CIV TOR FIR BEV AUT APP ACC CSP ENG TEC FOO FUE ALC MMM MED ENV SPO TRD TOU HCR CAW WAS UTI PHA MAN ADV MIA CPI COM CDT CHM BEV AUT APP SCI
House 109-113; Senate 108-113 – Appropriations. Defense – AER DEF
House 106-108; Senate 106-107 – Appropriations. Defense – AER DEF HOM INT
House 106-108; Senate 106-109 – Appropriations. District of Columbia – DOC
House 109 – Appropriations. Energy and Water – ENG FUE ENV CAW WAS UTI CDT NAT
Senate 109 – Appropriations. Energy and Water – ENG FUE ENV CAW WAS UTI CDT NAT
House 106-108; Senate 106-108 – Appropriations. Energy and Water Development – ENG FUE ENV CAW WAS UTI CDT NAT
House 110-113; Senate 110-113 – Appropriations. Energy-Water – ENG FUE ENV CAW WAS UTI CDT NAT
House 110-113; Senate 110-113 – Appropriations. Financial Services – BUD TAX FIN MON BAN BNK
Senate 106-108 – Appropriations. Foreign operations – FOR ECN REL
House 107-109 – Appropriations. Foreign operations and export financing – FOR ECN REL
House 106 – Appropriations. Foreign operations, export financing and related programs – FOR ECN REL
House 109-113; Senate 108-113 – Appropriations. Homeland Security – HOM INT
House 106-108; Senate 106-109 – Appropriations. Interior – MAR NAT IND RES GAM CDT
House 109 – Appropriations. Interior and Environment – MAR NAT IND RES GAM CDT ENV
House 110-113; Senate 110-113 – Appropriations. Interior-Environment – MAR NAT IND RES GAM CDT ENV
House 106-109; Senate 106-109 – Appropriations. Labor, Health and Human Services and Education – EDU FAM LBR RET ALC WEL REL ART HCR MED MMM
House 110-113; Senate 110-113 – Appropriations. Labor-HHS-Education – EDU FAM LBR RET ALC WEL REL ART HCR MED MMM
House 106-108, 110-113; Senate 106-113 – Appropriations. Legislative Branch – GOV
Senate 108 – Appropriations. Military Construction – AER DEF
House 106-108; Senate 106-107 – Appropriations. Military Construction – AER DEF HOM INT
Senate 109 – Appropriations. Military Construction and Veterans Affairs – AER DEF VET
House 110-113; Senate 110-113 – Appropriations. Military Construction-VA – AER DEF VET
House 109 – Appropriations. Military Quality of Life and Veterans Affairs – AER DEF VET
House 109 – Appropriations. Science, State, Justice and Commerce – LAW CON CPT IMM CIV TOR FIR FOR ECN REL ACC CSP ENG TEC FOO FUE ALC MMM MED ENV SPO TRD TOU HCR CAW WAS UTI PHA MAN ADV MIA CPI COM CDT CHM BEV AUT APP SCI

House 110-111 – Appropriations. Select Intelligence Oversight – INT
Senate 109 – Appropriations. State and Foreign Operations – FOR ECN REL
House 110-113; Senate 110-113 – Appropriations. State-Foreign Operations – FOR ECN REL
House 106-108; Senate 106-Senate 107 – Appropriations. Transportation – MAR RRR ROD TRA TRU DIS
Senate 108 – Appropriations. Transportation, Treasury and General Government – MAR RRR ROD TRA TRU DIS POS GOV BUD TAX FIN MON BAN BNK
House 109 – Appropriations. Transportation, Treasury, HUD, The Judiciary and District of Columbia – MAR RRR ROD TRA TRU DIS DOC GOV HOU URB RES BUD POS TAX FIN MON BAN BNK
Senate 109 – Appropriations. Transportation, Treasury, the Judiciary and HUD – MAR RRR ROD TRA TRU DIS POS GOV BUD TAX FIN MON BAN BNK HOU URB RES
House 110-113; Senate 110-113 – Appropriations. Transportation-HUD – MAR RRR ROD TRA TRU HOU URB RES DIS
Senate 106-107 – Appropriations. Treasury and General Government – POS GOV BUD TAX FIN MON BAN BNK
House 106-108 – Appropriations. Treasury, Postal Service and General Government – POS GOV BUD TAX FIN MON BAN BNK
House 107-108 – Appropriations. VA, HUD, and Independent Agencies – VET HOU URB RES
Senate 106-108 – Appropriations. VA, HUD, and Independent agencies – VET HOU URB RES GAM
House 106 – Appropriations. Veterans affairs, Housing, and Urban Development and Independent agencies – VET HOU URB RES
Senate 106-109 – Commerce Science and Transportation. Aviation – AVI
Senate 110-113 – Commerce Science and Transportation. Aviation Operations, Safety and Security – AVI
Senate 106-108 – Commerce Science and Transportation. Communications – COM MIA TEC
Senate 111-113 – Commerce Science and Transportation. Communications, Technology and the Internet – CPI COM MIA TEC
Senate 108 – Commerce Science and Transportation. Competition, Foreign Commerce and Infrastructure – RRR ROD TRD MAN
Senate 111-113 – Commerce Science and Transportation. Competitiveness, Innovation and Export Promotion – TRD
Senate 108 – Commerce Science and Transportation. Consumer Affairs and Product Safety – ADV APP CSP SPO PHA TOU BEV CHM FOO AUT
Senate 106 – Commerce Science and Transportation. Consumer Affairs, Foreign Commerce and Tourism – ADV APP CSP SPO PHA TRD TOU BEV CHM FOO AUT
Senate 107 – Commerce Science and Transportation. Consumer Affairs, Foreign Commerce and Tourism – ADV APP CSP SPO PHA TRD TOU BEV CHM FOO AUT
Senate 110 – Commerce Science and Transportation. Consumer Affairs, Insurance and Automotive Safety – ADV APP CSP SPO PHA BEV CHM INS FOO MAN AUT
Senate 109 – Commerce Science and Transportation. Consumer Affairs, Product Safety and Insurance – ADV APP CSP SPO PHA BEV CHM INS FOO MAN AUT
Senate 111-113 – Commerce Science and Transportation. Consumer Protection, Product Safety and Insurance – TOU ADV APP CSP SPO PHA BEV CHM INS FOO MAN AUT
Senate 109 – Commerce Science and Transportation. Disaster Prevention and Prediction – DIS
Senate 109 – Commerce Science and Transportation. Fisheries and the Coast Guard – MAR
Senate 109 – Commerce Science and Transportation. Global Climate Change and Impacts – ENV ENG FUE
Senate 110 – Commerce Science and Transportation. Interstate Commerce, Trade and Tourism – TRD TOU
Senate 106-107 – Commerce Science and Transportation. Manufacturing and Cometitiveness – MAN
Senate 109 – Commerce Science and Transportation. Ocean Policy Study – MAR

Senate 106-107 – Commerce Science and Transportation. Oceans and Fisheries – MAR
Senate 110-113 – Commerce Science and Transportation. Oceans, Atmosphere, Fisheries and Coast Guard – MAR
Senate 108 – Commerce Science and Transportation. Oceans, Fisheries and Coast Guard – MAR
Senate 109, 111-113 – Commerce Science and Transportation. Science and Space – SCI AER
Senate 110 – Commerce Science and Transportation. Science, Technology and Innovation – SCI CPI COM MIA TEC
Senate 106-108 – Commerce Science and Transportation. Science, Technology and Space – CPI SCI AER
Senate 110 – Commerce Science and Transportation. Space, Aeronautics and Related Sciencies – AER
Senate 106-113 – Commerce Science and Transportation. Surface Transportation and Merchant Marine – MAR RRR ROD TRA TRU
Senate 109 – Commerce Science and Transportation. Technology, Innovation and Competitiveness – CPI COM MIA TEC
Senate 109 – Commerce Science and Transportation. Trade, Tourism and Economic Development – TRD TOU
House 106 – Commerce. Energy and power – ENG NAT FUE WAS CDT UTI CAW WAS
House 106 – Commerce. Finance and hazardous material – HOU FIN INS WAS BAN BNK CHM
House 106 – Commerce. Health and environment – HCR MAR NAT RES ENV WAS ALC FOO MED MMM PHA BEV
House 106 – Commerce. Oversight and Investigations – ACC CSP ENG TEC FOO FUE ALC MMM MED ENV SPO TRD TOU HCR CAW WAS UTI PHA MAN ADV MIA CPI COM CDT CHM BEV AUT APP
House 106 – Commerce. Telecommunications, trade and consumer protection – COM MIA TEC TRD CSP SPO TOU ADV ACC AUT APP MAN CPI
House 112-113 – Energy and Commerce. Commerce, Manufacturing and Trade – TRD CSP SPO TOU ADV AUT APP ACC MAN
House 107-110 – Energy and Commerce. Commerce, Trade and Consumer Protection – TRD CSP SPO TOU ADV AUT APP ACC MAN
House 111 – Energy and Commerce. Commerce, Trade, and Consumer Protection – TRD CSP SPO TOU ADV AUT APP ACC MAN
House 111 – Energy and Commerce. Communications, Technology and the Internet – COM MIA TEC CPI
House 112-113 – Energy and Commerce. Communications and Technology – COM MIA TEC CPI
House 107-110 – Energy and Commerce. Energy and Air Quality – ENG NAT FUE WAS CDT UTI CAW ENV
House 112-113 – Energy and Commerce. Energy and Power – ENG FUE CDT UTI NAT
House 111 – Energy and Commerce. Energy and the Environment – ENG NAT FUE WAS CDT UTI CAW CHM ENV MAR RES
House 107-110 – Energy and Commerce. Environment and Hazardous Materials – WAS CHM MAR NAT RES ENV
House 112-113 – Energy and Commerce. Environment and the Economy – WAS CAW ENV MAR CHM RES
House 107-113 – Energy and Commerce. Health – HCR ALC FOO MED MMM PHA BEV
House 111 – Energy and Commerce. Oversight and Investigation – ACC CSP ENG TEC FOO FUE ALC MMM MED ENV SPO TRD TOU HCR CAW WAS UTI PHA MAN ADV MIA CPI COM CDT CHM BEV AUT APP
House 107-110; 112-113 – Energy and Commerce. Oversight and Investigations – ACC CSP ENG TEC FOO FUE ALC MMM MED ENV SPO TRD TOU HCR CAW WAS UTI PHA MAN ADV MIA CPI COM CDT CHM BEV AUT APP
House 107-110 – Energy and Commerce. Telecommunications and the Internet – COM MIA TEC CPI