Walking the CSR Talk in Politics: Examining the (Mis)Alignment of Firm Rhetoric with Corporate Political Lobbying

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ABSTRACT

Stakeholders, including consumers, expect some degree of consistency between a firm's stated values and actions. A significant disparity between these values and actions can, for example, lead to accusations of greenwashing or trigger backlash regarding products manufactured in exploitative conditions. Many firms now espouse a commitment to the environment or to certain social values, but there is little empirical evidence as to whether this rhetoric materially alters other strategies and behaviors. Specifically considering the nonmarket strategies of firms, this study examines the alignment between firms' rhetoric on environmental and social issues and their political lobbying activities. Our research circumvents traditional empirical constraints in observing the directionality of lobbying activities by focusing on the five U.S. states that require firms to disclose their lobbying stances. Our findings indicate a general lack of positive correlation between firms' environmental and social rhetoric and their political support for these causes, but governance policies mandating board oversight of political activities enhance the congruence between corporate statements and lobbying. We further explore how the industry backgrounds of board members influence decision-making.

1. INTRODUCTION

A firm's commitment to its stated values strengthens the trust of stakeholders (Gulati & Wohlgezogen, 2023; Liedong, Ghobadian, Rajwani, & O'Regan, 2015) and fosters cooperation between the firm and stakeholders in ways that offer sustained advantages (Choi & Wang, 2009; Gartenberg, Prat, & Serafeim, 2019; Henisz, 2023). If a firm's stated corporate social responsibility (CSR) priorities are consistent with its corporate political activities (CPA), stakeholders may perceive the firm as being credible and reliable in demonstrating its organizational values across different areas of corporate impact (Den Hond, Rehbein, De Bakker, & Lankveld, 2014). By bolstering stakeholder trust and support, the alignment of a firm's expressed values and political behaviors can thus contribute to enhanced firm performance (Henisz, Dorobantu, & Nartey, 2014; Mellahi, Frynas, Sun, & Siegel, 2016; Rehbein, den Hond, & Bakker, 2018; Sun, Doh, Rajwani, Werner, & Luo, 2023).

By contrast, if a firm's expressed values in one domain do not match its actions in another—that is, if managers do not "walk the talk" (Fromer Babcock et al., 2022; Tashman, Marano, & Kostova, 2019; Wickert, Scherer, & Spence, 2016)—then the firm could suffer reputational damages and backlash from both shareholders and other stakeholders (Lyon et al., 2018; Melloni, Patacconi, & Vikander, 2023). Accusations of "greenwashing" (Bothello, Ioannou, Porumb, & Zengin-Karaibrahimoglu, 2023; Lyon & Maxwell, 2011) and "social-washing" or "woke-washing" (Foss & Klein, 2023; Wright, 2023) arise when managers superficially express the firm's commitment towards environmental and social causes. This misalignment of stated values with actions taken can negatively impact firm performance (Melloni et al., 2023; Walker & Wan, 2012). The potential for misalignment is heightened as stakeholders increasingly expect firms to take a public stance on societal matters (Bhagwat,

Warren, Beck, & Watson, 2020; Rheinhardt, Briscoe, & Joshi, 2023) and as corporate activism becomes more prevalent and potentially risky (Branicki, Brammer, Pullen, & Rhodes, 2021; Wowak, Busenbark, & Hambrick, 2022).

Considering these risks and challenges, further research is warranted to examine the drivers of consistency in how firms communicate their values and how firms act (or not act) to advance those stated values. Although scholarship that examines the interplay between CSR and CPA is a growing area of academic and practitioner interest (Lyon et al., 2018; Mellahi et al., 2016; Roberts, 2024; Sun, Doh, Rajwani, & Siegel, 2021; Sun et al., 2023; Wei, Jia, & Bonardi, 2023), research about corporate lobbying is often constrained by various data limitations (de Figueiredo & Richter, 2014; LaPira & Thomas, 2020). In particular, researchers have largely been limited to analyzing the amount of money that clients had spent to lobby the government in specific issue areas, but the nature of firms' lobbying is often concealed (Jia, Markus, & Werner, 2023). To assess whether a firm's environmental or social rhetoric is aligned with its actions in the political space, being able to evaluate the direction of a firm's lobbying efforts is critical.

In this study, we examine the alignment of corporate rhetoric on environmental and social issues with firms' lobbying. To do so, we leverage unique regulations in five U.S. states—Colorado, Iowa, Nebraska, New Jersey, and Wisconsin—that require all organizations to disclose their directional stances when they lobby for or against specific bills. We build an original dataset to examine the relationship between corporate rhetoric and political lobbying by 1) gathering data on the five states' lobbying records; 2) categorizing lobbied bills into environmental or social categories using natural language processing techniques; 3) identifying the ideological leaning of those bills; and 4) incorporating measures about the level of stated corporate commitment to environmental and social causes (as communicated through annual

shareholder reports). By combining information about a firm's public stance towards a bill, the bill's content (i.e., whether it deals with environmental or social issues), and the bill's ideological leaning, we can evaluate whether a firm has lobbied for or against various environmental and social causes.

Our study contributes new data and methods to examine an area of scholarship in CSR and CPA for which there are well-established theoretical developments but limited empirical analyses due to the (usually) unobserved directionality of firms' lobbying efforts. We thus do not develop new hypotheses and instead take a question-driven and abductive approach (Graebner, Knott, Lieberman, & Mitchell, 2023; King, Goldfarb, & Simcoe, 2021) to explore the relationship between firms' rhetoric on environmental and social causes and their lobbying positions. In the theoretical section below, we leverage insights from the extant scholarship to inform the formulation of our research goals and the selection of variables for study.

Our main finding is that among firms that had lobbied in one of the five examined states, a greater volume of rhetoric on environmental or social concerns is *not* associated with more support towards those causes in the political arena. In other words, environmental and social talk generally do not correlate positively with political walk. In addition, we observe some evidence of a negative correlation in the social sphere, where more managerial attention towards social concerns is weakly associated with *less* support and *more* opposition in lobbying pertaining to social causes.

Furthermore, we incorporate data about corporate governance policies and the characteristics of board members to examine whether the board's capacity to oversee executives' political activities might affect the alignment of firm rhetoric with political lobbying. We find that when there are governance policies that require board members to oversee the firm's CPA,

there is stronger alignment between the firm's rhetoric on environmental or social issues with how firms lobby. We observe mixed evidence on the impact of the board's professional diversity. The results show that having a board with diverse industry backgrounds could reduce rhetoric-lobbying alignment (perhaps because the multitude of perspectives and experiences can weaken unity in nonmarket decision-making), but that the existence of governance policies that improve the transparency and accountability of political activities could strengthen the ability of diverse boards to drive alignment between CSR talk and political walk.

This paper offers several contributions to the extant scholarship on corporate social responsibility and political activities. First, we contribute to an important conversation on corporate values. Stakeholders expect some degree of consistency between a firm's espoused values and its corresponding actions. While there are a number of examples of backlash against firms who violate such expectations (Odziemkowska & McDonnell, 2023), further theory development and empirical investigations are warranted to understand when firms are consistent in executing actions that appear to be congruent with their public statements. Thus, we contribute to the literature by considering statements on the environment and social issues made in one arena, and the execution of separate but potentially related strategy in another nonmarket arena. By doing so, we shed light on the often-obscured interplay between a firm's public environmental and social stances and its private political maneuvers.

Second, our study's findings integrate the corporate governance literature with the current conversation on nonmarket strategy, highlighting the crucial role of board oversight in aligning a firm's public statements with its political activities. The board's governance capabilities are particularly relevant in an era where corporate transparency and accountability are increasingly demanded by both stakeholders and the public at large (Center for Political Accountability, 2021;

Christensen, Hail, & Leuz, 2021; Lyon et al., 2018). Finally, we make an important empirical contribution by introducing an approach that overcomes a limitation in much of the literature on corporate lobbying by analyzing the directionality of firms' lobbying efforts.

2. THEORETICAL BACKGROUND

Many firms communicate environmental and social values publicly, often with the aim of enhancing corporate reputation and driving better performance. For consumer-facing firms, highlighting ethical practices, environmental friendliness, and other forms of corporate responsibility can build stronger brand loyalty among consumers (Wang, Chen, Yu, & Hsiao, 2015). Evidence also suggests that demonstrating commitment towards social impact can help to attract and retain talent (Bhattacharya, Sen, & Korschun, 2008; Bode, Singh, & Rogan, 2015). In some cases, differentiation in corporate emphasis of CSR practices (Zhang, Wang, & Zhou, 2020) or in CSR-based product design (Boehe & Barin Cruz, 2010) is a source of competitive advantage that attracts investor interest and enhances financial outcomes.

Although demonstrating managerial attention towards environmental and social causes provides various benefits, doing so also carries risks. For example, opportunities for a firm to connect with social movements can create backlash from consumers if the firm's stated commitments are viewed as inauthentic (Mirzaei, Wilkie, & Siuki, 2022). When a firm's public positions towards environmental or social concerns do not align with other corporate actions, the public's perceptions of greenwashing or social-washing constrains the potential benefits of those public engagement efforts, causes reputational damage, and invites regulatory or legal scrutiny from activists and public officials (Bothello et al., 2023; Den Hond et al., 2014; Melloni et al., 2023; Wright, 2023).

One important set of corporate behaviors to evaluate in relation to a firm's stated CSR-related commitments is the firm's political positioning, as CSR and CPA are two major components of a firm's portfolio of nonmarket strategies (Lyon et al., 2018; Rehbein et al., 2018). Although the misalignment of CSR-related discourse and CPA could be strategic and intentional—for example, a firm might publicize a commitment towards environmental sustainability while lobbying against bills that would limit carbon emissions—this incongruence is ultimately "not a stable equilibrium" in the long run, as it creates "the potential for stakeholders to criticize firms for making symbolic gestures, for window dressing" (Rehbein et al., 2018: 306).

Despite both scholarly interest and practitioner relevance in studying the alignment of CSR-related rhetoric and CPA (Lyon et al., 2018), their relationship remains understudied empirically (Rehbein et al., 2018), in particular due to challenges in observing firms' political behaviors in lobbying. For example, in the U.S., although the Lobbying Disclosure Act requires lobbyists to file financial reports about their lobbying activities, this regulation does not require lobbyists to reveal the messages conveyed to lobbied officials, and numerous exceptions in the law further conceal the extent and nature of firms' lobbying (Jia et al., 2023; LaPira & Thomas, 2020). As such, whether a firm supports or opposes a piece of legislation that it has lobbied is almost always not observed.

Using an original dataset that reveals the political positions that firms take when lobbying in five U.S. states, *our first goal in this study is to examine the empirical relationship between firm rhetoric and political positioning.*

The stakeholder theory and organizational theory scholarships provide insights to explain why a firm's communicated values about environmental or social issues and its political

activities might become misaligned. First, managers are often confronted by pressures from numerous shareholders with divergent perspectives and priorities. As managers' perceptions of the power, legitimacy, and urgency (Mitchell, Agle, & Wood, 1997; Odziemkowska & Henisz, 2021) of stakeholders evolve across issue areas—and as new societal challenges arise that change the composition, expectations, and demands of stakeholder coalitions (Nalick, Josefy, Zardkoohi, & Bierman, 2016)—the multitude of pressures from different stakeholders can lead to "incoherent decisions across multiple issues and multiple geographies" (Wright, 2023: 253). Second, within firms, managers in charge of designing CSR initiatives and developing stakeholder communications about organizational values might be functionally siloed from managers who engage in corporate political activities (Henisz, 2017; Westermann-Behaylo, Rehbein, & Fort, 2015). The firm's organizational structure might thus constrain the ability of managers in these functions to coordinate their actions effectively (Henisz, 2016).

Because managers who implement CSR initiatives, communicate organizational values with stakeholders, and conduct political activities might hold varying motivations and capabilities that lead to different interpretations about how to advance the firm's goals, the upper echelons of management and governance must provide direction on how to align those activities to drive long-term performance (Foss & Klein, 2023). However, managers do not always divulge the full range of their political activities to the board, and board members might not consider the oversight of political activities as a key governance priority (Center for Political Accountability, 2021), leading to a failure of transparency and accountability. Even in cases where the firm has governance policies in place that enable the board to access information about the managers' CPA, board members might lack the experiences and capability needed to provide appropriate oversight and offer useful guidance on how to align those activities with the firm's commitments

to environmental and social responsibility. As discussed above, because the differing pressures of multiple stakeholder constituencies can create alignment challenges, boards with diverse backgrounds might be more adept at synthesizing different stakeholder perspectives (Anastasiadis, 2014; Lewis & Carlos, 2022) to ensure that the firm's stated CSR priorities and CPA are coherent.

Given the importance of board oversight of political activities in driving nonmarket strategic consistency, *our second goal in this study is to understand the moderating effects of governance policies and board characteristics on the alignment between firms' rhetoric towards environmental and social issues and corporate political positioning.*

3. DATA AND METHODS

3.1 State Lobbying Data

Five states in the U.S. require that lobbying entities publicly disclose their positions when lobbying legislators about a bill: Colorado, Iowa, Nebraska, New Jersey, and Wisconsin. Each instance in which an organization, either directly or via a hired lobbyist, meets with a legislator or their staff to discuss a specific bill on a given day is considered as a unique record of lobbying activity. For Nebraska, we obtained the electronic records of lobbying activities directly from the Clerk of the Legislature's Office. For the other four states, we had to scrape those records from the legislatures' websites and standardize the data into a usable format.

Our original dataset contains the lobbying records of all proposed bills considered by the legislatures of Colorado, Iowa, Nebraska, New Jersey, and Wisconsin from 2015 to 2020.[1] For each record, we know the date of the lobbying activity, the client that sponsored the lobbying

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[1] Colorado's lobbying data goes back to 1995; Iowa's data goes back to 2010; and Wisconsin's data goes back to 2003.

activity,[2] the bill that was lobbied, and importantly, the client's *stance* towards the bill, which could be recorded as in support, in opposition, or undecided. We annualize this data so that multiple records about a client that had lobbied the same bill with the same stance in a given year are counted as a single *declaration* of intent towards the bill. For example, if the scraped records show that an organization had hired lobbyists in 2018 to meet with different legislators on three separate occasions to oppose the same bill, we consider those meetings to be a single declaration of opposition from the organization towards the bill in 2018. Our dataset for the five states contains 388,083 annualized declarations across 33,890 bills.

For each bill, we use LegiScan to acquire the following additional data: the bill's title, a short summary of the bill, the full text, and which legislators (state representatives and/or state senators) sponsored the bill. Using this information, we 1) categorize each bill according to its content and 2) identify the ideological leaning of the bill. To accomplish the first task, we conceptualize the problem as a zero-shot text classification task (Yin, Hay, & Roth, 2019) where we classify each bill into predefined categories. As we are broadly interested in how firms approach bills associated with environmental and social issues that might be material to business performance, we use a list of keywords used by MSCI in assigning ESG ratings to define our categories of interest (see Table 1 for the list of categories and the associated keywords used in the classification task). We use a standard natural language processing tool called KeyBERT that extracts the sub-phrases in each bill's short summary that are most representative of the bill,[3] and we calculate the cosine similarity between the embeddings (i.e., the transformed vector

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[2] The client is the entity that either has lobbied directly (e.g., via an in-house lobbyist) or has hired a professional lobbyist to represent their interests.

[3] We also applied this technique to the bill's title and the bill's full text, but we found that using the bill's short summary on LegiScan provided the most accurate and consistent classification results. (The bill's title was usually not descriptive enough for classification purposes, and the bill's full text often contained too much extraneous text and legal jargon that led to poor computational performance.)

representations) of those sub-phrases and of the keywords in each category of interest. We then use a normalized exponential function (i.e., a softmax function) to scale the cosine similarity scores of a bill with each category (Techapanurak, Suganuma, & Okatani, 2019) and apply a cutoff score of 0.50 to assign a final category to the bill. Put more simply, if there is a primary issue category with keywords that are more closely associated with a bill's contents than all the other potential categories combined, then the bill is classified into that primary issue category.

Insert Table 1 about here

Of the 33,890 proposed bills that had been lobbied by any entity at least once from 2015 to 2020 across the five states, 2,739 of those bills can be classified as bills concerning the environment and 17,273 of those bills can be classified as bills concerning social issues.[4] The three most common types of environmental issue bills deal with carbon emissions (issue #1), water stress (issue #5), and green construction (issue #12); and the three most common types of social issue bills deal with health and safety issues (issue #15), access to finance (issue #27), and access to health care (issue #28).

In addition to this labeling of bills as environmental or social, we identify each bill's ideological leaning to assess whether the bill advances or opposes an environmental or social cause. For example, for a bill about renewable energy, we wish to know whether that bill supports or hinders the adoption of renewable energy in the state. To accomplish this task, we use the average ideological leaning of the state legislators who had sponsored the bill, which is measured by the Shor-McCarty National Political Awareness Test (NPAT) common space score (Shor, 2020; Shor & McCarty, 2011), to proxy for the bill's ideological aim. With this method,

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[4] The remainder cannot be neatly classified into any of our environmental or social categories of interest, such as bills dealing with general appropriations, tax enforcement, court administration, public procurements, etc.

Table 1 shows the complete breakdown of liberal-leaning versus conservative-leaning bills that advance or oppose environmental and social causes. Table 2 provides a 2x2 matrix of examples of bills classified as environmental or social and as ideologically liberal or conservative using the procedures described above.

Insert Table 2 about here

3.2 Firms' Political Positions, Corporate Rhetoric, and Board Characteristics

We next merge our state lobbying data with firm data in order to study the determinants of firms' political positions towards environmental and social causes. We begin with a list of 5,538 firms that have been part of the S&P 1500 or Russell 3000 at any time between 2010 and 2020. We perform a fuzzy match between the names of these firms and the names of clients in the lobbying data.

By combining three pieces of information—a firm's stance towards a bill, the bill's content, and the bill's ideological leaning—we can now assess whether a firm has lobbied for or against various environmental and social causes. For example, if a firm supports a liberal-leaning bill about renewable energy, such as Nebraska Legislature Bill 722 in 2018 (Table 2), or if the firm opposes a conservative-leaning bill about renewable energy, such as Nebraska Legislature Bill 504 in 2018, then we would identify either activity as an instance of a political declaration of support for an environment-related cause in 2018. Conversely, if a firm supports a conservative-leaning bill or opposes a liberal-leaning bill about renewable energy in a given year, then we would identify either activity as an instance of a political declaration of opposition towards an environment-related cause that year. In other words, taking a lobbying *stance* of support or opposition towards a bill could be interpreted as a *declaration* of support or opposition towards

an environmental or social cause depending on the ideological leaning of the bill. We emphasize that this method to assess a firm's political position on a certain topic—a key contribution of this paper—is made possible by combining both a firm's stance towards a bill (revealed by the five states' requirement that lobbying positions be disclosed) and the ideological direction of the bill (as proxied by the Shor-McCarty NPAT common space scores). Most previous studies of corporate political lobbying, despite using records showing that a firm has lobbied a specific bill or in a certain issue area (to analyze the intensity of lobbying), do not directly evaluate a firm's political position because information on the firm's stance towards the bill—i.e., the support/oppose directionality of the lobbying—is not available.

Table 3 provides a breakdown of firms' declarations of support or opposition towards environmental and social causes. We note that unfortunately, many stances observed in the raw data had been recorded as "undecided" towards a bill and not clearly in "support" or "opposition". Our interviews with professional lobbyists suggest that these "undecided" cases of lobbying are most likely instances of soft opposition towards a bill, where a firm expresses concerns about specific parts of the bill or engages in consultations aimed at slowing down the bill's progress. Our own examination of the data corroborates this assessment of "undecided" stances as opposition. For example, Colorado Senate Bill 94 in 2020 was a conservative-leaning, environment-related bill that would have raised the ownership costs of electric vehicles.[5] While Tesla took a clear "opposition" stance towards this bill, Rivian, another electric vehicle manufacturer, took an "undecided" stance. In our empirical analyses, we construct different

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[5] The short summary of Colorado Senate Bill 94 (2020) is: "Concerning the imposition of additional plug-in electric motor vehicle registration fees by the high-performance transportation enterprise, and, in connection therewith, making the total amount of registration fees imposed on such vehicles roughly equal to the combined amount of registration fees and motor fuel taxes imposed on vehicles powered by internal combustion engines."

variables on lobbying declarations that exclude or include these undecided stances and use them in different specifications.

Insert Table 3 about here

To create measures of corporate rhetoric on environmental and social issues, we analyze text from firms' annual shareholder reports. For each report, we first count the number of words or phrases that appear in our dictionaries of words associated with environmental issues or social issues[6]. We then scale these two counts by the total number of words that appear in any of our dictionaries across various topics of managerial concern, including not only words associated with environmental or social issues but also those associated with customers, employees, suppliers, shareholders, the government, costs, development, and retention. We arrive at two variables of corporate rhetoric measuring the percent of managerial "talk" or attention that have to do with environmental and social concerns.

We also incorporate data about firms' board governance characteristics. To assess firms' corporate governance of political activities, we leverage data provided by the Center for Political Accountability (CPA). Specifically, the CPA has published the raw data used to compile its annual CPA-Zicklin Index of Corporate Political Disclosure and Accountability since 2011. We use items #16 to #21 (Table 4) in the raw data to proxy for the level of oversight that a firm's board holds over the management's political activities. For each item, we code a "0" if the firm does not have that policy item in that year and a "1" otherwise. We create a continuous variable called "board political activities oversight" that totals the scores across the six governance policies of interest.

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[6] Our dictionary of social issue words have to do with health and safety, diversity and inclusion, and human capital and demographics.

We use data from BoardEx to create measures about firms' board characteristics. For each firm in each year, we create variables to measure the diversity of industry backgrounds among board members. Letting N denote the number of different industry backgrounds and $Share_i$ denote the percent of board members with some industry background i in firm f in year t, we create a measure of the board's diversity of professional backgrounds using the following formula:

$$Diversity_{ft} = 1 - \sum_{i=1}^{N}(Share_{i,ft})^2$$

The summation term in the above formula is computationally a Herfindahl-Hirschman index (HHI) of professional backgrounds, where a larger number indicates a higher concentration or insularity of experiences within the board. (Analogously, when using firms' market shares to calculate the HHI in a traditional analysis of market competition, a larger HHI indicates greater industry consolidation or less competition among firms within a market.) For ease of interpretation in our empirical results, we subtract 1 by this HHI-like measure, so that a larger value of $Diversity_{ft}$ corresponds to more diversity of experiences from different industries (i.e., less concentration or insularity) within the board.[7] Using available BoardEx data, we measure the board's diversity of professional experiences according to their Fama-French industry backgrounds.

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[7] Because each board member can possess experiences in multiple industries, the summation term can be larger than 1, so $Diversity_{ft}$ can be less than 0.

3.3 Variables and Specification

We analyze the relationship between managerial attention towards environmental and social causes and their political positions on those issues. Our analytical sample for the full specification consists of 238 firms that had lobbied in a focal state at least once between 2015 and 2020 and for which CPA-Zicklin data is available. Our dependent variables are the number of declarations of support for or opposition towards environmental or social causes in each year. Our independent variables are our measures for corporate rhetoric on environmental or social issues, the level of board oversight of political activities, and the diversity of industry experiences within the board. We also include the following variable as controls: total number of lobbying declarations (in a year), the percent board members who are female, the average birth year of board members, the average number of years served by members on the board, firm size (total assets), capital intensity (total assets / total sales), financial slack (total assets / total liabilities), and return on assets (EBIT / total assets). Table 5 provides a table of the summary statistics of and the correlations between all variables.

Insert Table 5 about here

We also include year and firm fixed effects, meaning our empirical analyses rely primarily on within-firm variation across time in our independent variables—testing, for example, whether an increase in the firm's rhetoric towards environmental causes is associated with an increase in the firm's political support towards environmental causes. Our analyses are best interpreted as assessing the correlational relationship between our corporate rhetoric and

political lobbying, not the causal impact the former on the latter.[8] Put differently, we aim to examine, among firms that are politically active in the five states, their alignment (or nonalignment / hypocrisy) between environmental or social talk and political walk and whether board oversight and experience might moderate that observed relationship.

4. RESULTS

Empirical relationships between corporate lobbying positions on environmental issues, corporate rhetoric on environmental issues, and board governance and characteristics are presented in Table 6. Results of the same analyses on social issues are presented in Table 7. As discussed in Section 3.2, we construct different variables for firms' declarations of political position that include or exclude "undecided" stances: *unambiguous* declarations of support (Column 1) or opposition (Column 3) towards environmental causes ignore instances where a firm lobbies a bill with a recorded "undecided" stance, whereas *total* declarations of support (Column 2) or opposition (Column 4) include lobbying activities with an "undecided" stance by considering that stance as an instance of soft opposition towards a bill.

Insert Tables 6 and 7 about here

In Table 6, we find no evidence that managerial talk on environmental concerns is associated with political lobbying in support of (or in opposition towards) environmental causes (Table 6: Column 1, $\beta = 0.0073$, $p = 0.793$; Column 2, $\beta = -0.0643$, $p = 0.287$; Column 3, $\beta = -0.0603$, $p = 0.116$; Column 4, $\beta = -0.0162$, $p = 0.838$). In Table 7, we similarly find no evidence

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[8] From a causal perspective, other unincluded variables such as shareholder activism could impact jointly impact a firm's political activities (dependent variable) and the board's oversight policies and managers' corporate messaging (independent variables).

that more rhetoric on social concerns is associated with unambiguous declarations of political support (Table 7: Column 1, β = 0.0581, p = 0.272) or opposition (Table 7: Column 3, β = 0.1085, p = 0.419) of social causes. However, we find that when "undecided" stances are considered as cases of opposition towards a bill, more managerial talk on social issues is associated with *fewer* total declarations of support on social causes (Table 7: Column 2, β = -0.4602, p = 0.023) and weakly associated with *more* total declarations of opposition towards social causes (Table 7: Column 4, β = 0.3501, p = 0.099). In sum, these results indicate that more communicated emphasis on environmental or social concerns is *not* associated with more support towards those causes in the political arena. In addition, not only are environmental and social talk generally not aligned with political walk, but managerial rhetoric on social concerns could also potentially be acting as a cover for lobbying activities that are contrary to that talk.

Across both Table 6 and Table 7, we find no evidence that the board's oversight of corporate political activities, alone, is associated with the direction that corporate political lobbying takes (refer to the second row in both tables). However, in both analyses, we see some evidence of the moderating effect of board oversight on the relationship between corporate rhetoric and lobbying. When policies that enable the board to govern political activities exist, there is stronger alignment between corporate rhetoric on environmental or social issues with how firms lobby. In Table 6, we find that with strong board oversight of political activities, a firm's managerial rhetoric on environmental causes is positively associated with both unambiguous declarations of support (Table 6: Column 1, β = 0.0338, p = 0.033) and total declarations of support (Table 6: Column 1, β = 0.0498, p = 0.035) towards environmental causes. The board's oversight of political activities, in other words, appears to be associated with keeping managers consistent across the environmental values communicated to shareholders and

the nature of the firm's corporate political activities in support of those values. Similarly, in Table 7, the results indicate that when there is strong board oversight of political activities, a firm's managerial rhetoric on social causes is positively associated with total declarations of support (Table 7: Column 2, $\beta = 0.2211$, $p < 0.001$) and negatively associated with total declarations of opposition (Table 7: Column 4, $\beta = -0.1655$, $p = 0.008$) towards social causes. Together, these findings offer some evidence that the board's oversight of political activities increases the likelihood that the firm's management would "walk the talk" in the political arena, as more rhetorical emphasis on environmental or social issues becomes associated with a greater likelihood of supporting (and a smaller likelihood of opposing) those causes politically.

Evidence on the effect of the board's diversity of industry experiences on political lobbying is weak and somewhat mixed. First, in Table 7, we do observe a triple interaction effect between corporate rhetoric on social issues, board oversight of political activities, and board industry diversity on the direction of political lobbying. When there are policies that enable the board to govern political activities—and when the board consists of members from diverse industry backgrounds—more rhetorical focus on social issues by management is positively associated with total declarations of support towards social causes (Table 7: Column 2, $\beta = 0.2965$, $p = 0.002$) and negatively associated with total declarations of opposition towards social causes (Table 7: Column 2, $\beta = -0.1565$, $p = 0.081$). These results suggest that corporate rhetoric and political lobbying are more aligned when the board is empowered not only by governance policies that enable its oversight of managers' political activities but also when the board holds diverse experiences or capabilities. Along these lines, we also observe in Table 6 that greater board oversight of political activities with board members from diverse industries is associated

with fewer unambiguous lobbying declarations of opposition towards environmental causes (Table 6: Column 3, β = -0.1296, p = 0.037).

However, the results become more nuanced when we examine the model's board diversity terms that do not involve an interaction with the board's oversight of political activities. In Table 6, we find that board industry diversity alone is associated with *more* unambiguous declarations of opposition towards environmental causes (Table 6: Column 3, β = 0.4659, p = 0.025); and in Table 7, we observe that when board industry diversity is high, more corporate rhetoric on social issues is associated with *less* total declarations of support towards environmental causes (Table 7: Column 2, β = -0.5656, p = 0.044). These results suggest that having a board with a strong mix of experiences from different industries might not necessarily lead to greater alignment between corporate rhetoric of environmental or social causes and the direction of political lobbying. One interpretation of the findings that if directors with diverse backgrounds hold varying values and perspectives on environmental and social issues, their lack of alignment could lead to internal conflicts that make it challenging for the board to take a unified stance on governing the firm's portfolio of nonmarket strategies, in particular if there are no governance policies that reinforce the transparency and accountability of the firm's political activities.

5. CONCLUSION AND DISCUSSION

This study advances our understanding of the relationship between firms' rhetoric on corporate values and their political activities. The empirical evidence presented highlights a general lack of consistency between firms' expressed attention towards environmental and social issues and their lobbying positions. We also highlight the role of corporate governance in

ensuring that firms' external communications and political stances are well-aligned, which could hold important implications for maintaining stakeholder trust (Gulati & Wohlgezogen, 2023; Liedong et al., 2015), reputational risk management (Den Hond et al., 2014; Foss & Klein, 2023; Lyon et al., 2018), compliance and legal accountability (Bothello et al., 2023; Wright, 2023), and strategic alignment and firm performance (Gartenberg et al., 2019; Melloni et al., 2023; Sun et al., 2023). Policies that mandate the board's oversight of political activities not only enhance transparency but also ensure that corporate actions are consistent with publicly stated values and commitments. Moreover, the nuanced role of board diversity in influencing this alignment suggests that different backgrounds and experiences within a firm's leadership can impact its strategic coherence across societal and functional domains.

Our paper faces several limitations. Although we are able to reveal the directionality of firms' lobbying activities by utilizing data from five states, the result is a selected sample of large, public U.S.-based firms that do engage in lobbying in these states. In addition, despite the inclusion of relevant time-varying controls and firm fixed effects (to control for unobserved time-invariant variables), we do not claim that our results constitute robust, causal evidence between the variables studied. We also examine only one aspect of CPA—lobbying—but the interplay between corporate commitments towards societal values and other forms of CPA, such as campaign contributions (Preuss & Max, 2023), merit further study.

An important aim of our research is to provide new evidence on the relationship between firms' nonmarket behaviors and highlight avenues for future investigations. As regulatory frameworks continue to shift and as pressures from stakeholder groups evolve, ongoing studies are necessary to examine how firms might navigate such challenges by implementing a coherent set of strategies (Fromer Babcock et al., 2022). Future research could also delve deeper into the

mechanisms through which other corporate policies, such as other public disclosure and

transparency policies requirements, might impact the alignment of CSR-related commitments

and CPA. These explorations could yield pragmatic insights into how managers, investors, and

other stakeholders could foster more accountable and responsible corporate political behaviors

(Lyon et al., 2018).

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TABLE 1
Categories of Environmental and Social Issue Bills

Panel A: Environmental issue bills

Issue Num	Issue Category Label	Keywords Used in Classification Task	Total number of bills	Number of conservative-leaning bills	Number of liberal-leaning bills
1	Carbon emissions	Carbon emissions, carbon pricing, carbon cap and trade, carbon reduction, clean energy, decarbonization	536	193	343
2	Product carbon footprint	Product carbon footprint, carbon intensive products, product ecological footprint	8	1	7
3	Financing environmental impact	Financing environmental impact, environmental risk financing, green financing, sustainable finance	143	24	119
4	Climate change vulnerability	Climate change vulnerability, climate change insurance, environmental risk modeling, environmental risk hedging, climate risk management	45	10	35
5	Water stress	Water stress, water depletion, water management, water withdrawal, water scarcity	570	263	307
6	Biodiversity and land use	Biodiversity and land use, fragile ecosystems, marine disturbances, biodiversity protection	129	49	80
7	Raw material sourcing	Raw material sourcing, agricultural raw materials, sustainable extraction, sustainable seafood, responsible aquaculture, sustainable forestry	195	126	69
8	Toxic emissions and waste	Toxic emissions, waste management, toxic water, pollution, contamination, carcinogens, smog	45	7	38
9	Package material and waste	Package material, package waste management, eco-friendly packaging recycling	258	101	157
10	Electronic waste	Electronic waste, proper disposal of electronic items, circular economy for electronic products	14	5	9
11	Clean tech	Clean technology, environmental innovation, green design, environmental science, green engineering	63	2	61
12	Green construction	Green construction, green building, sustainable properties, sustainable construction, energy-efficient buildings	655	231	424
13	Renewable energy	Renewable energy, alternative energy, energy efficiency, wind energy, solar energy, biomass energy, hydro energy, smart grid, hybrid cars, electric cars, carbon capture	78	19	59

Panel B: Social Issue Bills

Issue Num	Issue Category Label	Keywords Used in Classification Task	Total number of bills	Number of conservative-leaning bills	Number of liberal-leaning bills
14	Labor management	Labor management, labor unrest, job satisfaction, employment benefits, employee engagement, performance incentives	837	236	601
15	Health and safety	Health and safety, injuries, fatalities, mental health, physical harm, occupational well-being, demographic risk, public health	5838	2339	3499
16	Human capital development	Human capital development, training and development, professional development, school, university, education, trade schools	759	222	537
17	Supply chain labor standards	Supply chain labor standards, unsafe working conditions, inadequate pay, overtime, union issues, child labor	77	18	59
18	Product safety and quality	Product safety, quality control measures, quality assurance, product standards	40	14	26
19	Chemical safety	Chemical safety, hazardous substance control, responsible chemical management	374	111	263
20	Consumer finance protection	Consumer finance protection, credit litigation, credit loss, predatory lending, financial transparency	1430	589	841
21	Privacy and data security	Privacy and data security, personal data, privacy protocols, data protection measures	490	154	336
22	Responsible investment	Responsible investment, investment due diligence, ethical investment	312	103	209
23	Insuring health and demographic risk	Insuring health and demographic risk, aging population, public health challenges	790	236	554
24	Controversial sourcing	Controversial sourcing, human rights or labor abuses in the supply chain	200	72	128
25	Community relations	Community relations, community engagement, social connections, civic connections	979	323	656
26	Access to communication	Access to communication, communication infrastructure, improving connectivity	386	153	233
27	Access to finance	Access to finance, financial inclusion, banking accessibility	2006	785	1221
28	Access to health care	Access to health care, health care affordability, medical care accessibility, inclusive healthcare access	3481	1142	2339
29	Opportunities in nutrition and health	Opportunities in nutrition, dietary well-being, healthy eating, food access	111	19	92

TABLE 2

Examples of Bills Classified by Category and Ideological Leaning

	Ideological leaning: conservative	**Ideological leaning: liberal**
Environmental issue bills (category 13: renewable energy)	Nebraska Legislature Bill 504 Introduced on January 18, 2017 "Provide for a moratorium on industrial development of wind energy projects and for a task force study as prescribed"	Nebraska Legislature Bill 722 Introduced on January 3, 2018 "Provide a renewable energy electric power generation requirement for certain public power and irrigation districts"
Social issue bills (category 14: labor management)	Iowa Senate Bill 2129 Introduced on January 30, 2018 "A bill for an act providing for verification by the department of workforce development of work search contacts by individuals claiming unemployment insurance benefits"	Colorado House Bill 1378 Introduced on May 4, 2018 "Concerning the creation of the "Equal Pay for Equal Work Act" in order to implement measures to prevent pay disparities, and, in connection therewith, promoting pay transparency and making an appropriation"

TABLE 3
Breakdown of Firms' Lobbying Activities

Panel A: Environmental issue bills

Issue Num	Issue Category Label	Left-leaning bills lobbied	Right-leaning bills lobbied	Lobbying stances in support of bill	Lobbying stances in opposition to bill	Lobbying stances recorded as "undecided"	Political positioning: unambiguous declarations of support for issue	Political positioning: unambiguous declarations of opposition towards issue	Political positioning: total (unambiguous + soft) declarations of support for issue	Political positioning: total (unambiguous + soft) declarations of opposition towards issue
1	Carbon emissions	365	173	67	72	399	45	94	166	372
2	Product carbon footprint	1	0	0	0	1	0	0	0	1
3	Financing environmental impact	39	21	6	13	41	2	17	19	41
4	Climate change vulnerability	15	3	0	0	18	0	0	3	15
5	Water stress	94	95	26	9	154	10	25	83	106
6	Biodiversity and land use	4	5	1	1	7	1	1	4	5
7	Raw material sourcing	2	14	2	2	12	2	2	12	4
8	Toxic emissions and waste	26	7	3	0	30	1	2	6	27
9	Package material and waste	77	58	21	5	109	11	15	57	78
10	Electronic waste	6	14	2	2	16	2	2	12	8
11	Clean tech	11	0	2	3	6	2	3	2	9
12	Green construction	63	40	14	16	73	11	19	38	65
13	Renewable energy	44	30	7	16	51	7	16	31	43

Note: This table provides a count of the number of lobbying actions observed in the data for our sample of matched firms. A lobbying *stance* refers to the action that a firm took regarding a bill (a firm can support, oppose, or be "undecided" towards a bill). The political positioning or *declaration* refers to a firm's position towards the issue category, which is a combination of the firm's stance towards the bill and the ideological leaning of the bill. For example, a firm can support renewable energy (issue #13) if it supports a left-leaning bill or opposes a right-leaning bill; and it can oppose renewable energy if it supports a right-leaning bill or opposes a left-leaning bill. Unambiguous declarations ignore lobbying activities with an "undecided" stance. Total declarations include lobbying activities with an "undecided" stance by coding an "undecided" stance as an instance of soft opposition towards a bill.

Panel B: Social issue bills

Issue Num	Issue Category Label	Left-leaning bills lobbied	Right-leaning bills lobbied	Lobbying stances in support of bill	Lobbying stances in opposition to bill	Lobbying stances recorded as "undecided"	Political positioning: unambiguous declarations of support for issue	Political positioning: unambiguous declarations of opposition towards issue	Political positioning: total (unambiguous + soft) declarations of support for issue	Political positioning: total (unambiguous + soft) declarations of opposition towards issue
14	Labor management	314	122	33	41	362	5	69	99	337
15	Health and safety	584	537	187	160	774	106	241	470	651
16	Human capital development	95	53	60	22	66	20	62	33	115
17	Supply chain labor standards	21	5	2	4	20	0	6	3	23
18	Product safety and quality	10	13	1	2	20	1	2	12	11
19	Chemical safety	87	113	36	27	137	15	48	97	103
20	Consumer finance protection	558	363	63	102	756	54	111	336	585
21	Privacy and data security	329	176	24	27	454	7	44	158	347
22	Responsible investment	73	43	12	17	87	8	21	43	73
23	Insuring health and demographic risk	496	226	49	106	567	32	123	211	511
24	Controversial sourcing	33	10	3	3	37	2	4	9	34
25	Community relations	47	44	9	19	63	12	16	47	44
26	Access to communication	241	218	80	61	318	37	104	184	275
27	Access to finance	268	251	96	52	371	44	104	221	298
28	Access to health care	1397	835	195	318	1719	187	326	814	1418
29	Opportunities in nutrition and health	40	11	9	0	42	5	4	12	39

Note: This table provides a count of the number of lobbying actions observed in the data for our sample of matched firms. A lobbying *stance* refers to the action that a firm took regarding a bill (a firm can support, oppose, or be "undecided" towards a bill). The political positioning or *declaration* refers to a firm's position towards the issue category, which is a combination of the firm's stance towards the bill and the ideological leaning of the bill. For example, a firm can support renewable energy (issue #13) if it supports a left-leaning bill or opposes a right-leaning bill; and it can oppose renewable energy if it supports a right-leaning bill or opposes a left-leaning bill. Unambiguous declarations ignore lobbying activities with an "undecided" stance. Total declarations include lobbying activities with an "undecided" stance by coding an "undecided" stance as an instance of soft opposition towards a bill.

TABLE 4

Number of Firms with Board Oversight of Political Activity Using Items from the CPA-Zicklin Index
(Sample: N = 238 firms that had lobbied any of the five states from 2015 to 2020 and for which CPA-Zicklin data is available)

Item Number	Item Description	2015	2016	2017	2018	2019	2020
16	Does the company have a publicly available policy that the board of directors regularly oversees the company's corporate political activity?	97	100	92	93	92	98
17	Does the company have a specified board committee that reviews the company's policy on political expenditures?	89	89	81	82	85	89
18	Does the company have a specified board committee that reviews the company's political expenditures made with corporate funds?	82	83	83	86	89	95
19	Does the company have a specified board committee that reviews the company's payments to trade associations and other tax-exempt organizations that may be used for political purposes?	70	70	77	77	80	87
20	Does the company have a specified board committee that approves political expenditures from corporate funds?	17	19	20	19	20	20
21	Does the company have a specified board committee, composed entirely of outside directors, that oversees its political activity?	83	86	82	82	84	88

TABLE 5
Summary Statistics and Correlations

Variables	Mean	Std Dev	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
(1) Unambiguous declarations: support environmental causes	0.07	0.45	1.00																			
(2) Total declarations: support environmental causes	0.30	1.35	0.73	1.00																		
(3) Unambiguous declarations: oppose environmental causes	0.14	0.63	0.32	0.34	1.00																	
(4) Total declarations: oppose environmental causes	0.53	2.03	0.45	0.55	0.58	1.00																
(5) Unambiguous declarations: support social causes	0.37	1.31	0.14	0.17	0.15	0.12	1.00															
(6) Total declarations: support social causes	1.89	5.20	0.07	0.17	0.08	0.10	0.65	1.00														
(7) Unambiguous declarations: oppose social causes	0.88	2.29	0.04	0.09	0.08	0.04	0.51	0.59	1.00													
(8) Total declarations: oppose social causes	3.27	8.46	0.05	0.12	0.07	0.13	0.48	0.67	0.76	1.00												
(9) Board oversight of political activities (CPA-Zicklin)	2.01	2.43	0.06	0.07	0.05	0.14	0.19	0.21	0.17	0.20	1.00											
(10) Diversity of board's industry backgrounds	-0.44	0.34	0.07	-0.01	0.03	-0.04	-0.02	-0.04	-0.02	-0.05	-0.13	1.00										
(11) Corporate rhetoric on environmental issues	0.09	0.08	0.25	0.31	0.22	0.29	-0.07	-0.13	-0.11	-0.15	0.03	-0.02	1.00									
(12) Corporate rhetoric on social issues	0.16	0.07	-0.06	-0.05	-0.05	-0.08	0.23	0.21	0.18	0.21	-0.00	0.02	-0.17	1.00								
(13) Total number of lobbying declarations	5.99	13.43	0.18	0.30	0.18	0.30	0.59	0.85	0.73	0.91	0.23	-0.06	-0.08	0.21	1.00							
(14) Percent of board members who are female	0.25	0.11	-0.02	-0.02	0.02	0.06	0.09	0.09	0.09	0.09	0.27	-0.18	-0.12	-0.04	0.10	1.00						
(15) Average birth year of board members	1954	4.29	-0.01	-0.02	0.03	0.04	-0.06	-0.06	0.00	-0.02	-0.13	-0.01	-0.08	-0.14	-0.03	0.17	1.00					
(16) Average number of years on the board	7.62	3.26	0.03	0.05	0.00	0.02	0.05	0.03	-0.00	0.00	-0.09	0.12	0.04	0.02	0.02	-0.15	-0.32	1.00				
(17) Ln(total assets, millions USD)	9.75	1.84	0.00	0.02	0.01	0.04	0.18	0.24	0.19	0.23	0.57	-0.18	-0.09	-0.14	0.25	0.28	-0.14	-0.14	1.00			
(18) Capital intensity	3.48	5.67	-0.03	-0.03	-0.02	-0.02	0.01	0.04	-0.01	0.01	0.11	0.09	-0.13	-0.13	0.01	0.19	-0.00	-0.15	0.49	1.00		
(19) Financial slack	1.65	0.88	-0.01	-0.02	-0.00	-0.03	-0.06	-0.05	0.03	-0.01	-0.15	0.10	0.01	0.05	-0.03	-0.18	0.02	0.07	-0.25	0.01	1.00	
(20) Return on assets	0.07	0.10	-0.03	-0.05	-0.06	-0.06	-0.04	-0.02	0.00	-0.00	0.01	-0.04	-0.13	0.04	-0.02	0.02	-0.09	0.19	-0.15	-0.39	-0.14	1.00

TABLE 6

Corporate Lobbying of Environmental Issues

	(1) Unambiguous declarations: support environmental causes	(2) Total declarations: support environmental causes	(3) Unambiguous declarations: oppose environmental causes	(4) Total declarations: oppose environmental causes
Corporate rhetoric on environmental issues	0.0073 (0.793)	-0.0643 (0.287)	-0.0603 (0.116)	-0.0162 (0.838)
Board oversight of political activities	0.0113 (0.729)	-0.0200 (0.759)	-0.0625 (0.169)	0.0197 (0.870)
Board industry diversity	0.0333 (0.818)	0.0902 (0.788)	0.4659* (0.025)	0.1858 (0.616)
Corporate rhetoric on environmental issues X Board oversight of political activities	0.0338* (0.033)	0.0498* (0.035)	0.0119 (0.485)	0.0113 (0.722)
Corporate rhetoric on environmental issues X Board industry diversity	0.0084 (0.893)	-0.1241 (0.356)	-0.0757 (0.141)	-0.0642 (0.565)
Board oversight of political activities X Board industry diversity	-0.0036 (0.931)	0.0318 (0.771)	-0.1296* (0.037)	-0.1178 (0.406)
Corporate rhetoric on environmental issues X Board oversight of political activities X Board industry diversity	0.0452 (0.146)	0.0607 (0.293)	0.0148 (0.531)	0.0514 (0.275)
Total number of lobbying declarations	0.0061 (0.143)	0.0279* (0.036)	0.0097* (0.036)	0.0415** (0.007)
Percent of board members who are female	0.1552 (0.381)	0.4426 (0.392)	0.4279 (0.318)	0.7439 (0.292)
Average birth year of board members	-0.0143 (0.280)	0.0550 (0.256)	-0.0386 (0.112)	-0.1052 (0.354)
Average number of years on the board	-0.0132 (0.367)	0.0689+ (0.085)	-0.0315* (0.039)	-0.0470 (0.272)
Year fixed effects	Yes	Yes	Yes	Yes
Firm fixed effects	Yes	Yes	Yes	Yes
Other firm-year controls	Yes	Yes	Yes	Yes
Observations	799	799	799	799

Notes: Parentheses contain p-values: ** $p < 0.01$, * $p < 0.05$, + $p < 0.10$. Robust standard errors were clustered at the firm level. Other control variables include ln(total assets), capital intensity, slack, and return on assets. Unambiguous declarations ignore lobbying activities with an "undecided" stance. Total declarations include lobbying activities with an "undecided" stance by coding an "undecided" stance as an instance of soft opposition towards a bill.

TABLE 7

Corporate Lobbying of Social Issues

	(1) Unambiguous declarations: support social causes	(2) Total declarations: support social causes	(3) Unambiguous declarations: oppose social causes	(4) Total declarations: oppose social causes
Corporate rhetoric on social issues	0.0581 (0.272)	-0.4602* (0.023)	0.1085 (0.419)	0.3501+ (0.099)
Board oversight of political activities	0.0460 (0.421)	-0.1078 (0.467)	-0.1209 (0.272)	-0.1843 (0.258)
Board industry diversity	-0.0410 (0.890)	1.4560 (0.154)	0.0294 (0.968)	-0.4030 (0.690)
Corporate rhetoric on social issues X Board oversight of political activities	0.0139 (0.626)	0.2211** (0.000)	-0.0004 (0.991)	-0.1655** (0.008)
Corporate rhetoric on social issues X Board industry diversity	0.0187 (0.802)	-0.5656* (0.044)	0.1481 (0.483)	0.2637 (0.328)
Board oversight of political activities X Board industry diversity	0.0655 (0.539)	-0.3277 (0.273)	-0.1449 (0.368)	-0.2270 (0.442)
Corporate rhetoric on social issues X Board oversight of political activities X Board industry diversity	0.0132 (0.753)	0.2965** (0.002)	0.0018 (0.970)	-0.1565+ (0.081)
Total number of lobbying declarations	0.0317* (0.040)	0.2584** (0.000)	0.1247** (0.000)	0.6727** (0.000)
Percent of board members who are female	0.0662 (0.935)	-2.7898 (0.181)	0.6028 (0.615)	1.6000 (0.419)
Average birth year of board members	-0.0190 (0.507)	-0.0808 (0.253)	0.0122 (0.737)	0.1258 (0.186)
Average number of years on the board	0.0037 (0.924)	-0.0541 (0.693)	-0.0069 (0.898)	0.0157 (0.907)
Year fixed effects	Yes	Yes	Yes	Yes
Firm fixed effects	Yes	Yes	Yes	Yes
Other firm-year controls	Yes	Yes	Yes	Yes
Observations	799	799	799	799

Notes: Parentheses contain p-values: ** $p < 0.01$, * $p < 0.05$, + $p < 0.10$. Robust standard errors were clustered at the firm level. Other control variables include ln(total assets), capital intensity, slack, and return on assets. Unambiguous declarations ignore lobbying activities with an "undecided" stance. Total declarations include lobbying activities with an "undecided" stance by coding an "undecided" stance as an instance of soft opposition towards a bill.