American Political Science Review (2022) 116, 1, 54–69
doi:10.1017/S0003055421000836

How the Workplace Affects Employee Political Contributions

JAN STUCKATZ *Institute for Advanced Study in Toulouse, France*

How important is the workplace for employees' political donations? Contrary to research on workplace political mobilization, existing work assumes that most individual donors contribute ideologically. I link donations of employees and Political Action Committees (PACs) from 12,737 U.S. public companies between 2003 and 2018 to show that 16.7% of employee donations go to employer-PAC-supported candidates. I investigate the dynamics between employee and PAC donations within firm–legislator pairs over time and find that both rank-and-file employees and executives contribute more dollars to company-supported politicians. Firm–employee donation alignment is stronger on powerful and ideologically moderate politicians with high value for the employer. Results from a difference-in-differences design further show modest changes in the partisan composition of employee donations after swift changes in the partisan donations of corporate PACs. The results suggest investment-related rather than ideological motives for alignment and highlight the importance of corporations for money in politics.

INTRODUCTION

How important is the workplace for employees' political donations? The extant work on money in politics assumes that most donors allocate donations based on ideological preferences or electoral competition (Ansolabehere, de Figueiredo, and Snyder 2003; Ensley 2009; Fouirnaies and Hall 2014; Francia 2003; Poole, Romer, and Rosenthal 1987), with the exception of more investment-oriented donations of chief executives (Gordon, Hafer, and Landa 2007; Richter and Werner 2017). Contrary to this widely held view, recent research on workplace politics highlights how employers in the United States engage in employee mobilization and coercion to advance corporate political objectives (Hertel-Fernandez 2018). However, it is not clear yet whether employers influence employees' political donations, particularly for nonexecutive employees.

In this article, I investigate political alignment between firms and employees by linking employee and corporate Political Action Committee (PAC) donations from 12,737 publicly traded U.S. companies to 6,062 U.S. House and Senate candidates between 2003 and 2018. First, I show that 16.7% of all employee donation dollars and 12.9% of rank-and-file dollars go to company-PAC-endorsed candidates. These company-aligned contribution shares are more than double the size of simulated counterfactual donations to similar non-company-supported candidates. Second, I analyze a panel of 9,032 publicly traded firms and 1,089 House and Senate members. The within-firm–politician design allows me to rule out firm- and politician-level or dyadic explanations for alignment such as industry, geography, and long-standing firm–party relationships. I find that employees contribute 17.4% more dollars to candidates supported by their company PAC. The positive relationship between PAC and employee contributions holds not only for executives but *even* for rank-and-file employees.

Employee donors contribute more dollars to firm-supported politicians who are committee chairs, sit on powerful committees, are politically important for an employee's industry, and who are ideologically moderate. Employees also donate more to company-endorsed politicians if their firm is more transparent about its policy preferences and preferred politicians and if candidates are endorsed by business-friendly associations, but I find no difference for firms with a track record of workplace political mobilization. In addition, I use a difference-in-differences (DiD) design, leveraging large swings in PAC's partisan donations after changes in Congressional majorities. The DiD analysis shows that employees across all occupations change the partisan composition of their donations in line with their company. The effects are larger for executives and more modest for rank-and-file employee donors. Together with the strong evidence that corporate PAC donations are highly strategic (Fouirnaies and Hall 2018; Powell and Grimmer 2016), these results suggest that employees' firm-aligned donations are driven by investment considerations instead of ideology.

As a consequence, corporations might be even more important in shaping political contributions, and by extension, who gets elected, than previously thought. The finding that even nonexecutive employee donors closely follow the donations of their employer raises the question as to whether companies pressure employees into donating to aligned candidates or whether they merely activate preexisting political preferences. This article also highlights the complementarities between different sources of corporate political influence. The relatively small corporate PAC donations might effectively be supplemented by employee donations, so that PACs might be more important to political candidates than one might otherwise assume. I further show that *even within industries* employee donors tend to support company-endorsed politicians, not only those with jurisdiction over their industry (Barber, Canes-Wrone,

Jan Stuckatz, Research Fellow, Institute for Advanced Study in Toulouse (IAST), France, jan.stuckatz@iast.fr.

Received: October 26, 2020; revised: April 11, 2021; accepted: July 06, 2021. First published online: August 31, 2021.

and Thrower 2017). This emphasizes the importance of firm-specific as opposed to broad, sector-based sources of political preferences (Na-Kyung Lee and Liou 2019). Finally, if employee donations are partly a function of firm preferences, ideal points derived from individual donations (Bonica 2014) might reflect not only ideology but also corporate political strategy.

The second section of this article discusses employee and corporate PAC motivations to donate and under which conditions employees might align donations with their company. The following part describes the data. The fourth part shows the extent of firm–employee donation alignment, how employees react dynamically to firm donations, and which mechanisms might drive alignment. The final part discusses implications and avenues for future research.

EMPLOYEE AND CORPORATE MOTIVATIONS FOR POLITICAL DONATIONS

Corporate PAC Donations

Most theoretical and empirical research in Political Science and Economics suggests that PACs are ultimately interested in influencing public policy in their favor. The majority of political science work now postulates that PAC donations are not direct quid pro quo exchanges for future political favors (Tullock 1972); they are *investment-oriented* and directed toward buying *access* to legislators via contributions (Austen-Smith 1995; Hall and Wayman 1990).

The view that donations are directly exchanged for political favors has been widely criticized due to the strong contribution limits,[1] the lack of evidence for donations yielding direct benefits (Fowler, Garro, and Spenkuch 2019), and the high value of policies relative to the low donation amounts (Ansolabehere, de Figueiredo, and Snyder 2003; Milyo, Primo, and Groseclose 2000; Tullock 1972). At the same time, PACs have been found to be very strategic and access oriented in their contribution schedules. PACs donate 20% to 25% more dollars to incumbents (Fouirnaies and Hall 2014), selectively target candidates sitting on powerful committees (Fouirnaies and Hall 2018; Powell and Grimmer 2016) with jurisdiction over their industry (Fouirnaies and Hall 2018), and tend to value moderate rather than ideological legislators (Bonica 2013). Further, ideological groups and labor unions seem to be much more partisan than corporate PACs, which split donations more evenly between both parties (Barber 2016b; Bonica 2013). In line with the access view, PACs making a contribution seem to get more face-to-face time with legislators (Kalla and Broockman 2016; Langbein 1986). Also, lobbyists report in interviews that donations mainly serve to build and maintain relationships with legislators (Drutman 2015, 94–6).

Employee Donations

The extant literature broadly differentiates between two reasons for why individuals donate to politicians. First, individual donations might be motivated by *ideology* (Ansolabehere, de Figueiredo, and Snyder 2003), driven by the value of participating in the political process or supporting ideologically close candidates (Francia 2003). Second, individuals might also view donations as an *investment* in line with their own material interests. Evidence suggests that individuals are ideologically motivated, except for high-level employees, whose donations seem more investment-oriented.

Individual donors regularly rank ideological reasons as the most important for donating (Barber 2016a), and tend to give to more ideologically extreme candidates than nondonors (Barber 2016b; Francia 2003).[2] Donors are also wealthier, more educated, older, more likely to be white, and more likely to participate in primaries than voters who do not donate (Hill and Huber 2017). In addition, Broockman and Malhotra (2018) find that Democratic donors are more socially and economically liberal than nondonors and that Republican donors are much more economically conservative than Republican voters. Thus, some work suggests a connection between the political polarization of American politics and the reliance of politicians on individual donations (Bafumi and Herron 2010; La Raya and Schaffner 2015). In contrast, research on the politics of chief executives shows that their donations tend to be more instrumental (Gordon, Hafer, and Landa 2007; Richter and Werner 2017), even though donations of corporate board members can be quite ideologically diverse (Bonica 2016a).[3] Barber, Canes-Wrone, and Thrower (2017) find a strong relationship between individual donations and whether a member of Congress sits on a committee regulating the donors' industry. This indicates that despite strong evidence in favor of ideology as the main driver of individual donations, there is some connection between employee contributions and their industry of employment or position in a company.

Alignment between Corporate PACs and Employees

According to the literature, corporate PACs are expected to be driven by investment-oriented motivations and individual donors would seem to donate (mostly) based on ideology and industry of employment. Given this evidence, why should individual employees align their donations with their firm of

[1] See Figure A1 in the online appendix. PAC contribution limits to federal candidates for the 2018 electoral cycle were $5,000 per election for donations to candidates, $5,000 per year for donations to PACs, $5,000 per year for donations to state/district/local party committees (combined), and $15,000 per year to national party committees.

[2] There is some contradictory evidence from sociological research showing that elite donors target more moderate incumbents. However, they have become less likely to spend on both parties since the 1980s (Heerwig 2017).

[3] Recent work in Management and Finance shows how CEO donations and ideology affect pay, firm strategy (Gupta and Wowak 2017), and firm performance (Unsal, Hassan, and Zirek 2016).

employment? There are at least three mechanisms explaining alignment between firms and employees.

First, employees might align donations with the company because of *career concerns or job security.*[4] Employee donors can assume that firm-supported politicians will endorse policies that are good for the company, and by extension, for securing their own job. They could equally make donations to aligned candidates to signal to their superiors that they are committed to the company and to increase their chances of future promotions. Most importantly, we would expect donations of individuals to look more like investments. Thus, there should be more alignment for candidates who are politically useful for the employer. These candidates would include powerful members of important committees, committee chairs (Berry and Fowler 2018; Fouirnaies and Hall 2018), and other politicians with access value (Hall and Wayman 1990; Kalla and Broockman 2016; Langbein 1986). Furthermore, employees in a corporate environment where supported candidates and policies are communicated more clearly would be more likely to donate to the same candidates as their firm. In addition, high-ranking employees would be more inclined to donate instrumentally (Gordon, Hafer, and Landa 2007) due to the stronger ties between their income and company profits, as well as their higher than average disposable income. These expectations contrast with the literature that finds that individual donors care mostly about ideology (Barber 2016a; Broockman and Malhotra 2018; Hill and Huber 2017). In that case, one would expect individual contributions to be largely unrelated to one's company's political preferences, access value of politicians, or the transparency of corporate donations.

Second, corporations might attempt to *coerce their employees into donating to certain politicians.* Hertel-Fernandez (2018) finds that employers actively mobilize employees to turn out to vote and inform them about company-supported candidates on corporate websites and via leaflets and group emails.[5] Since the 2010 Citizen United decision, companies have the legal right to publicly support political candidates inside and outside of the workplace.[6] Further, the Business Industry Political Action Committee (BIPAC) assists companies in disseminating political information and tracking employee responses (Hertel-Fernandez 2018, 193–7).[7] However, employees report in surveys that encouragement to donate was the least-used mobilization strategy by employers (Hertel-Fernandez 2018). Therefore, alignment should be higher for companies with a record of workplace coercion, such as BIPAC members. Even though these first two mechanisms may seem more likely to play a role for low-ranking employees, it is by no means clear that senior managers and executives cannot be coerced into donating or making donations based on career concerns. For example, in a 2004 survey of senior S&P 500 employees, 24% of respondents who were vice president or higher reported that "not giving to their company PAC could be detrimental to their careers" (CFO 2004).

Third, employees might *self-select into companies* due to prior ideological considerations and policy preferences. This could be because employees get socialized in a certain political environment and start working where they grow up, leading to similar within-company political donations. Similarly, individuals could hold political views that affect the kind of company or industry they choose to work for. For example, environmental activists would probably choose not to work for a coal mining company and open-carry gun activists might not want to work for a nongovernmental organization that supports gun control. Recent work by McConnell et al. (2018) shows that individuals prefer working for copartisan employers and might even request lower wages from copartisans. Bonica et al. (2021) show that physicians in the US sort into ideologically similar locations and workplaces after their residency. This suggests that donations would be mostly related to the geographic location of politicians and companies. In any case, the observable implication is that aligned donations may be more likely go to ideological politicians and not necessarily to valuable politicians.

Employee donors can learn about the donations of their company PAC via a *variety of information channels*: regular newsletters with updates on past and planned PAC donations, organized events to meet supported candidates, presentations educating employees about legislator positions, or external websites like www.opensecrets.org, as documented in the donor and employee surveys by Li (2018) and Hertel-Fernandez (2018). Likewise, politicians can know the workplace of individual donors because donors have to report their employer and their occupation if they cumulatively donate more than \$200 within a reporting period. Candidates, in turn, need to make "best efforts" to determine workplace and position of itemized donors when reporting to the Federal Election Commission (FEC), risking fines and legal action for noncompliance.[8] PAC names usually contain the name of the corporation. Thus, candidates and their staff can

[4] Macro trends toward weaker unions (Feigenbaum, Hertel-Fernandez, and Williamson 2018), higher market concentration (Autor et al. 2017), and labor market monopsony (Azar, Marinescu, and Steinbaum 2017) might have increased overall reliance of employees to their company of employment.

[5] Firms have historically motivated employees to turn out, or reduced turnout by keeping employees from voting, offering benefits to employees or threatening with lay-offs (Mares and Young 2016, 271–2).

[6] Firms can also require employees to attend political rallies of company-favored candidates and penalize workers who decline to attend (Hertel-Fernandez 2018, 1).

[7] For example, in 2012, the paper manufacturer Georgia Pacific sent out flyers to employees informing them about the specific company-supported candidates, including warnings that employees might "suffer consequences" if company-endorsed candidates would not make it into office (Hertel-Fernandez 2018, 2–3).

[8] See online appendix A1 for enforcement of FEC reporting rules and examples. Small donations are usually aggregated in reports to the FEC (Alvarez, Katz, and Kim 2020).

observe whether PACs and employees of the same company donate to their committee. This could potentially be more challenging for candidates who receive donations from many corporate PACs and for small donations under the reporting threshold.[9]

While some of these mechanisms operate at the *firm level*, others are more likely to operate at the *industry level.* On one hand, whether companies communicate preferred candidates and political positions to their employees or engage in coercion clearly varies at the firm level. Likewise, decisions on the specific candidates a PAC should donate to are taken at the firm level. On the other hand, whether firms seek access to policy makers depends on how vulnerable their industry of operation is to changes in regulation (Fouirnaies and Hall 2016). Political economy scholars have long recognized that industries with more immobile assets are more likely to mobilize politically (Alt et al. 1999), as are firms in more concentrated industries and industries that depend heavily on government funding, like utilities and defense (Hansen, Mitchell, and Drope 2005). Employee donors might be aware of the political vulnerability of their industry of employment and thus be more likely to align their donations with their company.[10]

While this article focuses on the interaction of corporate PACs and employee donors, it is important to note that companies are not the only actors that engage in workplace mobilization and that might affect employee donations. Most notably, labor unions mobilize workers politically, provide information on political topics (Kim and Margalit 2017; Macdonald 2021), and might even change employee political preferences (Ahlquist, Clayton, and Levi 2014). In addition, trade associations and ideological membership associations could also target employee donors. In comparison with corporations, these other actors might appeal to broader industry- or class-based preferences.[11]

Finally, there are two major difficulties when testing these mechanisms empirically. For one, it is impossible to observe the internal decision making of PACs. Therefore, it is not clear whether at least part of the employees, such as executives or in-house lobbyists, could determine the donation targets of the PACs while simultaneously donating individually.[12] In addition, PACs cannot use money directly from corporate earnings; they can only use voluntary contributions from employees so that PACs cannot donate to candidates that are too ideologically distant from the median employee donor (Li 2018). I thus concentrate on establishing the relationship between candidate-specific corporate donations and employee donations at the level of the firm and provide tentative evidence to distinguish between these mechanisms.

DATA LINKING FIRM AND EMPLOYEE CAMPAIGN DONATIONS

In this article, I use data on employee donations linked to the corporate PAC contributions of their employers, from the FEC. The individual donation filings contain information on a donor's name, employer, occupation, and address. Individual occupation descriptions and employer names are unstructured and self-reported. Thus, no unique identifiers exist for donor's employer or their position in the company. To match individuals to their companies, I use string-distance matching described in Stuckatz (2020): first, I lowercase the verbatim employer and occupation names, clean them (removing whitespace and certain punctuation), and canonicalize company types (e.g., "corporation" becomes "corp," "limited'" becomes "ltd"). Second, from the remaining unique company and occupation names, I create a term-document matrix and weigh the entries by term-frequency-inverse-document frequency (tf-idf) so that commonly occurring terms (e.g., corp) receive less weight than more unique terms (e.g., microsoft). I then calculate the pairwise cosine distance between the names from the FEC data and the unique company and occupation names. The unique company names come from the financial database Compustat Capital IQ. The occupation names come from the "direct matching files" of the Census Bureau and the Bureau of Labor Statistics. These files contain over 20,000 occupation names matched to 850 unique occupations and their Standard Occupation Classification (SOC) code, including common abbreviations such as CEO, VP, or CFO for executive positions.

How accurate are the self-reported employer and occupation names? The FEC conducts regular audits to make sure that committees accurately report full name, employer, occupation, and address of all itemized individual donors. In principle, individual donors can misreport employer or occupation names, for instance, to conceal donations for particular candidates from their employer. However, committees must make their best effort to accurately determine employer and occupation before filing to the FEC. Findings of noncompliance can result in fines and further legal action.[13]

I limit the period of investigation to the years 2003 to 2018 because data on individual occupations is only available from 2003 onwards. I also exclude

[9] The number of corporations supporting a given candidates is highly skewed. In the data used in this article, 2,637 federal candidates between 2003 and 2018 report donations from public company PACs. Half of the candidates received donations from 11 or fewer publicly traded company PACs. However, 20% of candidates received contributions from 105 or more public company PACs.

[10] The focus of this article is on employee–donor alignment with their firm of employment, *within industries.* Regardless, I provide some analysis of industry-level differences in alignment in section 3.2 and 3.4.

[11] How unions affect employee donations is beyond the scope of this article and would require linking donations with detailed union data (Becher, Stegmueller, and Käppner 2018). I discuss future research on unions in the conclusion. See Section 3.4 for how results vary by industry demand for access and BIPAC candidate endorsement.

[12] In a survey, Li (2018, 11) finds that 90% of donors are not involved in the decisions of their company's PAC.

[13] See FEC (2021) for enforcement statistics. I discuss enforcement of accurate employer and occupation names in online appendix A1.

noncandidate donations such as donations to associations and ideological groups. Then, I sum PAC and employee donations at the firm-candidate-cycle, to investigate when employees and PACs donate to the same candidates. I also divide employee donors into four types: *any* employees, top *executives*, *government affairs* employees, and *rank-and-file* donors.[14] Out of all dollar amounts donated to federal candidates between 2003 and 2018, 41.7% are from executives, 57.5% are from rank-and-file employees, and 1.2% come from government-relations officers. What share of individual employee donors are rank and file and how many employees in a given company make political donations? Around 75% of individual employees in the data who donate to federal candidates are rank-and-file employees, around 24% executives, and 1% government-relations officers.[15] It is also important to note that few employees makes political contributions. Using the number of employees as reported in the Compustat Capital IQ database, I find that about 1.5% of the publicly traded company employees covered in this article donate to federal candidates. This masks a lot of heterogeneity across companies. For example, while I find that 3,364, or 5.5%, of Morgan Stanley employees donate to federal candidates, only 745, or 0.4%, of Ford employees do so.

Using donations of publicly traded U.S. companies comes with certain limitations. First, the companies are larger than private companies and, thus, not representative of the population of U.S. companies. Donations from employees of these companies also differ slightly from the overall population of donors.[16] Second, I only analyze alignment on the same political candidate, but I leave out other types of alignment based on industry associations (e.g., the National Association of Manufacturers), ideological groups (Americans for Prosperity), or labor unions because information on political candidates, such as ideology or committee assignments, is more consistently measured. Third, I only observe itemized individual contributions.[17] As a consequence, I do not observe donations below $200, which might show more variation in donor occupations and sociodemographics (Alvarez, Katz, and Kim 2020).

The final data on employee-politician and PAC-politician donations contain 815,905 employee donation transactions and 572,002 PAC transactions of overall 12,737 publicly traded companies to 6,062 federal candidates between 2003 and 2018. The employees work in 12,652 publicly traded companies and have 742 occupations. The PACs belong to 1,035 corporations, 950 of which appear in both employer and employee donations. These amount to US$541 million in employee donations and US$905 million in corporate PAC donations over 16 years.[18]

RESULTS

Descriptive Evidence on Firm–Employee Alignment

Table 1 summarizes alignment between employee donors and company PACs on the same candidate between 2003 and 2018. The leftmost column shows that 16.7% of the total dollar amount of employee donations goes to candidates supported by their employer PAC. The table also compares alignment across rank-and-file employees, top executives, and in-house lobbyists. Around 13, 21, and 39% go to the same candidate as the respective employees' firm, respectively. Thus, occupations with more material incentives to donate strategically with the firm are more aligned. A slightly lower 13.5% of donation amounts go to employee-supported candidates in the same electoral cycle. Conditional on receiving a donation, employee contributions to non-PAC-supported candidates average $2,278, whereas donations to employer-supported candidates average $3,914. Thus, aligned employee donation amounts are 42% larger than nonaligned donations, on average.[19] This dollar premium for PAC-supported candidates is driven by top executives and rank-and-file employees.[20] For example, employees of Oracle donated approximate $2.8 million to 506 candidates between 2003 and 2018, $1.3 million (45.8%) of which went to candidates supported by Oracle's PAC. When Oracle employees donated to a candidate, they donated on average $9,654 to PAC-supported candidates and $4,150 to nonaligned candidates.

The finding that 16.7% of donated employee dollars go to candidates supported company PACs masks heterogeneity between firms.[21] While some corporations like Nike or Lockheed Martin show an

[14] I identify top executives by using the SOC code for executives (11-1011) and search terms for presidents and vice presidents. I identify government-relations officers by using the SOC code for public relations specialists (27-3030) and search terms related to lobbying and government affairs. Finally, I define as rank-and-file employees all donors who are not classified as executives or government relations.

[15] I create individual identifiers using first name, last name, middle name, and company, as described in online appendix A4. See Table A2 for details on donor shares across occupations. This might underestimate the number of unique donors, as individuals sometimes inconsistently use middle names and might change workplaces.

[16] In online appendix A2, I compare my data of employees at publicly traded firms with all individual itemized donation transactions. Transaction amounts to Democrats are slightly lower than amounts going to Republicans. The employer-matched transactions are more likely to go to corporate PACs, less likely to go to candidates or parties, and more likely out of state compared with nonmatched donations.

[17] Until 2014, only donations of $200 and larger were reported by the FEC, and from 2014 donations of individuals that are larger than $200 cumulatively within a given reporting period are required to be reported to the FEC.

[18] Corporate PACs contributed US$1.38 billion to House and Senate candidates between 2003 and 2018. Individual donors spent $7.67 billion to House and Senate candidates in the same time.

[19] See Figure A3 in the online appendix.

[20] In Table A3 in the online appendix, I show that the share of aligned donations is even larger for politicians who make it into office (29.7% on the same candidate and 24.6% in the same cycle).

[21] See Figure A4 in the appendix for company examples.

TABLE 1. Percentage of Employee Donation Amounts to Same Candidate as Company PAC

	Share total $ to same		Average candidate donation		Total donations	
	Candidate	Candidate + cycle	Nonaligned	Aligned	Amount (M)	No. (K)
Occupations						
All employees	0.167	0.135	$2,278	$3,914 (+41.8%)	$541.6	815.2
Rank and file	0.129	0.100	$1,882	$2,628 (+28.4%)	$304.6	635.3
Executives	0.211	0.175	$2,581	$4,009 (+35.6%)	$228.9	167.8
Gov. affairs	0.388	0.329	$947	$1,117 (+15.2%)	$9.9	14.2

Note: This table shows the share of total employee dollars donated to federal candidates supported by their company PAC. Between 2003 and 2018, 16.7% of employee donation amounts go to the same candidate supported by the donor's employer PAC and 13.5% to the same candidates in the same electoral cycle.

alignment of over 60% of employee donation dollars with PAC-supported candidates, Blackstone or Merill Lynch show alignment of under 20%, even though employees of the latter two contribute more dollars. I find the highest degree of alignment of close to 80% for Cintas, a provider of uniforms and other workplace supplies. Cintas has been reportedly active in informing their employees about their conservative policy and partisan stances.[22]

Are these shares of aligned donations substantively large? Some alignment can be expected by chance due to colocation of employees and firms, overlaps in partisan preferences, or because donors tend to donate to incumbents (Fouirnaies and Hall 2014). But one has to keep in mind that employee donors can choose from many different candidates in every electoral cycle.[23] To evaluate the extent to which observed alignment shares diverge from alignment by chance, I ran a simulation in which I randomly drew candidate recipients for a sample of individual donor transactions. I used increasingly stringent scenarios and drew candidates from the same office, state, and party as in the original donations or a combination of these characteristics. Additionally, I vary incumbency status. Overall, the findings in Table 1 are very unlikely to occur by chance. For example, if individual rank-and-file employee donors had randomly donated to candidates running within state for the same party and office, one would observe a share of aligned donated dollars of around 2%. Adding incumbency status results in simulated aligned shares of 3.5%, sampling from the same party and incumbents, or 6.2% for the same party, state, and incumbents. In comparison, I observe 12.9% of aligned rank-and-file donation dollars in the data, still double as much as in the most restrictive simulation.[24]

This finding implies that a majority of all (83.3%), rank-and-file (87.1%), executive (78.9%), and government-relations (61.2%) donations do not go to the same candidate that is supported by a donor's company. However, this does not necessarily mean that all nonaligned donations are ideological. In addition to electoral competition or ideological considerations (Barber 2016a), employee donors can still be motivated by material interests that are not specifically related to the firm, such as class, occupation, industry, or asset ownership. Nonaligned employee donations are also biased toward incumbents and open-seat candidates, though to a lesser extent than aligned donations (Fouirnaies and Hall 2014). Almost half of nonaligned contributions go to incumbents, and about a quarter go to challengers and open-seat candidates.[25] There are of course other ways in which employees might align their donations with their employer. First, employees might decide to support company-friendly candidates by donating to their employer's PAC instead. Contrary to this idea, I find that individual employees who donate only to non-firm-supported candidates are less likely to donate to their company's PAC, in particular rank-and-file employees.[26] Second, employees who do not align on the same candidate as their firm PAC might donate to industry associations or ideological organizations. However, these organizations represent broad industry or ideological interests rather than firm-specific ones.

[22] For example, the Cintas CEO Scott D. Farmer sent a letter to his 30,000 employees on October 19, 2012. In the letter, he criticized the Affordable Care Act, warned against the potentially negative economic effect of another Obama presidency for the company, and outlined the negative effects of progressive environmental regulation and unions on the company's ability to keep their jobs (Hertel-Fernandez 2018).

[23] From 2003 to 2018, there are 21,136 candidates: 14,814 House, 3,046 Senate, and 3,277 Presidential candidates.

[24] I ran 1,000 simulations using samples of 20,000 individual transactions. These differences are similar for other occupations. See online appendix A6 for a detailed description and results.

[25] See Table A5 in the online appendix for a breakdown of parties and seat types for aligned and nonaligned donations.

[26] See Table A6 in the online appendix. While 15.1% of all aligning employee donors contribute to their company PAC, only 1.6% of nonaligning employee donors do. Among rank-and-file employees who donate to the same candidates as their company, 6.6% also contribute to their company PAC compared with 0.9% of nonaligning rank-and-file donors. Also, 25.6% of aligning executives and 14.4% of aligning government-relations officers donate to their company's PAC compared with 4.5% and 4.2% who do not align, respectively.

Alignment is not driven by within-state donations. About two thirds of employee donations in my data go to out-of-state candidates, and about 57% of company-aligned donation amounts go to out-of-state candidates.[27] Alignment is also not driven by the number of candidates supported by corporations[28] and happens on both Republicans and the Democrats, reflecting that, on average, corporate PACs split donations relatively evenly between both parties, with a slight Republican bias (Bonica 2014; La Raya and Schaffner 2015).

Dynamic Influence of Corporate PAC Donations on Employee Donations

The data presented above provides evidence to support that donations of employees and corporations are linked. But do employee donors react to company PAC donations over time? Below, I focus on all possible firm-politician-year combinations between 2003 and 2018 for donations to House or Senate members. I limit the analysis to this subset of legislators for the following reasons. First, I need additional information on the properties and activities of the politicians on whom firms and employees align. However, there is very little information on most federal candidates that is comparable across all candidates, such as positions on policies.[29] Second, there are simply too many candidates who only run once, inflating the already large number of observations.[30] The data used for further analysis below is an unbalanced panel of 1,089 Members of Congress and 9,032 publicly traded firms during a period of 16 years, 79,589,984 firm-politician-year observations in total. This includes *all firm–politician pairs*, *with and without donations*, so that I can observe employees and PACs starting to donate as well as the amount they donate. First, I investigate the effect of employer PAC donations on the amount of employee dollars donated to the same politician. I estimate the following linear model:

$$\begin{aligned} &log\left(Employee\ \ Donations_{ijt}\right) \\ &= \alpha_{ij} + \gamma_t + \delta PAC\ \ Donation_{ijt} + \varepsilon_{ijt}, \end{aligned}$$

where $log(Employee\ Donations_{ijt})$ is the total logged US$ amount donated by employees of firm i to politician j in year t. $PAC\ Donation_{ijt}$ is a binary indicator that scores one if the PAC of firm i donates to the same politician j in year t and zero if otherwise. The coefficient of interest δ indicates the percentage increase in the amount of employee donations to a candidate in a specific year given a simultaneous donation by the employer PAC.[31] I use firm–politician fixed effects, indicated by α_{ij}, as well as year fixed effects γ_t, so I only estimate the effect of within-firm–politician-pair PAC donations on politician-specific employee donations over time. All regressions also include a number of control variables.[32]

First, I start with a model using all employee donations as the outcome in column 1 of Table 2. The results indicate a statistically significant 17.4% increase in employee dollars donated to PAC-supported candidates compared with nonsupported candidates. Given the large number of firms and politicians, this within firm–politician estimation is quite computationally demanding, but it takes care of a number of alternative explanations for alignment, such as geographic colocation or preexisting connections between particular industries and politicians.[33] The result also implies that contrary to Barber, Canes-Wrone, and Thrower (2017), employees do not tend to donate only to politicians who sit on committees regulating their industry, but *even within industries*, they donate more to the politicians supported by their own company.[34] In supplementary analyses, I find that the effects do not vary much across broad industries.[35]

In the second set of results, I concentrate on the change in employee donation amounts of different occupation types, for rank-and-file employees, top executives, and government affairs employees (column 2 to 4 in Table 2). As expected, executives see the largest increase in donations to a company supported politician, of about 11%, followed by rank-and-file employees, with 9.3%. In-house lobbyists show the smallest increase in the probability to donate of 1.8%.[36]

[27] This is similar to the findings by Gimpel, Lee, and Pearson-Merkowitz (2008). See Table A4 in the online appendix. This number is slightly higher for executives (58%) and much higher (81%) for government affairs officers.

[28] There is a low positive correlation between the number of candidates supported and alignment, which I plot for a sample of 690 firms with more than 15 PAC and employee donations in Figure A5 in the online appendix.

[29] CF Scores measure candidate ideology (Bonica 2016b), but are inferred from donations. As this analysis is based on donations, I prefer a measure of ideology that is not itself a function of donations.

[30] The descriptives from Table 1 also hold in this subsample of politicians. See Table A3 in the online appendix.

[31] Ideally, I would use an instrument for the presence of PAC donations. The work on incumbency advantage employs regression-discontinuity designs using close electoral races (Fouirnaies and Hall 2014), and other work has leveraged committee exiles (Powell and Grimmer 2016) or changes in committee assignment (Berry and Fowler 2018). All these could influence employee donations through channels other than PACs. For example, donors might note the committee without observing PAC donations (Barber, Canes-Wrone, and Thrower 2017).

[32] Being part of the majority party, committee chair, subcommittee chair, member of the Ways and Means or Appropriations committees, majority or minority leadership status, and presence of a collective bargaining agreement.

[33] Some industries might be more prone to alignment due to geographic concentration, (Busch and Reinhardt 2000), common or diverging location of politicians and firms (Gimpel, Lee, and Pearson-Merkowitz 2008), or long-standing relationships between particular firms and either GOP or Democrats (Martin and Swank 2012).

[34] See Figure A6 in the online appendix for overlap in donation timing to the same politicians across some industries.

[35] See Figure B1 in the online appendix. Only agriculture is visibly more aligned than other industries.

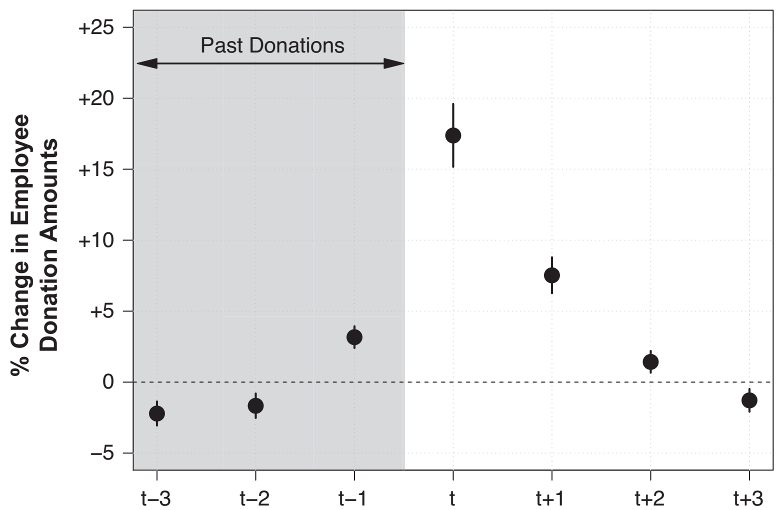
[36] Table B2 in the online appendix shows that the probability that employees donate to a politician increases by 0.023. This is a large increase given that the baseline probability of employees to donate to any politician is 0.0014.

TABLE 2. Employee Donation Amounts and Firm PAC Donations, House/Senate, 2003–2018

	Employee donations, logged US$			
	All	Rank and file	Executives	Gov. affairs
	(1)	(2)	(3)	(4)
PAC donation$_{ijt}$	0.174***	0.093***	0.109***	0.018***
	(0.011)	(0.008)	(0.007)	(0.003)
Controls	√	√	√	√
Year FEs	√	√	√	√
Firm–legislator-FEs	√	√	√	√
Observations	79,594,059	79,594,059	79,594,059	79,594,059
Adjusted R^2	0.182	0.165	0.147	0.126

Note: Standard errors clustered by firm.*$p < 0.1$, **$p < 0.05$, ***$p < 0.01$.

FIGURE 1. PAC Donations and Employee Donation Amounts in Logged US$, 2003–2018

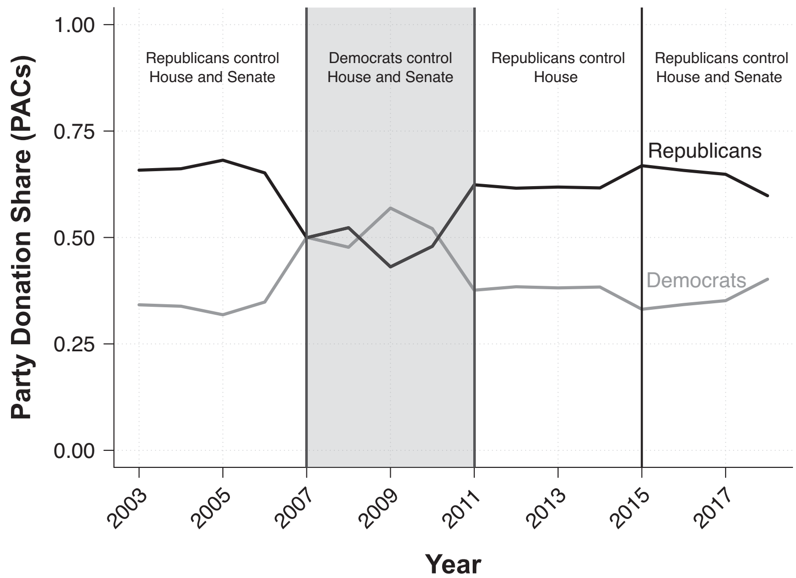


Note: This figure shows the effect of an employer PAC donation (1/0) to a specific politician in year *t* on the logged US$ amount of employee donations to the same politician, for contemporaneous (*t*), past ($t-1$, $t-2$, $t-3$), or future ($t+1$, $t+2$, $t+3$) employee donations.

Third, I investigate the timing of PAC and employee donations. If employees pay attention to the donations of their company, the effects of politician-specific PAC donations on employee donations should be stronger for contemporaneous and future donations and smaller or nonsignificant for past employee donations. It is possible that employers advertise a preferred candidate to employees before the corporate PAC makes a donation, for instance, by sending newsletters on past and planned PAC donations, organizing meetings with candidates, or making presentations to employees (Hertel-Fernandez 2018). This is reflected in the empirical setup, which uses employee contribution dollars aggregated at the firm-politician-year level so that employee donations can precede PAC donations in the same year. Figure 1 shows that the presence of a PAC donation increases employee dollars to a specific politician by about 17.4% in the same year, by 7.5% in the following year, and close to zero in subsequent years. I still find a smaller but significant effect of about 3% in the first year before the company donation, highlighting the possibility that companies might indeed communicate on preferred candidates before the PAC makes a donation. The pattern also reveals that the relationship between PAC and employee donations is short-lived, which speaks against these donations as a long-term investment (Snyder 1992).

The timing is reflected in real-life changes in employee donations. For example, Facebook Chief Operating Officer Sheryl Sandberg donated $1,392,300 between 2011 and 2018 to candidates, almost all of which went to Democrats. While Sandberg is partisan in her donations, she also donated to Senator Mazie Keiko Hirono (HI) in July 2017, only four months after the Facebook PAC donated to Hirono for the very first time. She donated to House Representative Zoe Lofgren (CA-16) on September 19, 2014, the same day that Facebook's PAC donated to Lofgren

FIGURE 2. Partisan Donation Shares of Corporate PACs and Changes in Congressional Majorities



Note: This figure shows the partisan donation shares of 1,027 publicly traded firms' PACs between 2003 and 2018. The *black line* indicates donations to Republican candidates, and the *gray line* shows donations to Democratic candidates. PACs switch the donation shares allocated to each party according to which party has a majority in Congress.

and only 4 months after the PAC had donated to Lofgren for the first time in that cycle. Consistent with this pattern, Sandberg also donated to Democratic Senator Charles Schumer (NY) in April 2015, only days after the Facebook PAC had donated to Schumer for first time in the 2016 general election.

One concern to consider is that alignment could be larger in smaller firms with less collective action problems (Olson 1965). However, the results are almost identical using logged sales or number of employees as measures of firm size.[37] The results are also robust to the inclusion of industry-year trends, industry-year fixed effects, or industry-legislator-year fixed effects. Therefore, the findings are not explained by industry-specific shocks or growth patterns.[38] The effects are also not driven by time-varying industry–politician relationships, like politicians pandering to specific industries, or their capacity to cater to industries via committee assignments (Berry and Fowler 2018; Fouirnaies and Hall 2018).

Difference-in-Difference Analysis of Alignment

In order to further differentiate between ideological and investment explanations, I employ a difference-in-difference (DiD) design. I use swift changes in the partisan share of PAC donations over time to analyze whether employees change the partisan composition of their donations in tandem with their employer. If aligned employee donations are purely ideologically motivated, their partisan composition should not change over time. In comparison, corporate PACs mostly allocate their donations according to access to incumbents (Fouirnaies and Hall 2014). Figure 2 above shows the partisan donation shares of 1,027 corporate PACs between 2003 and 2018 and the corresponding changes in Congressional majorities. PACs systematically shift donations between Republicans and Democrats depending on who controls Congress. Between 2003 and 2006, when Republicans held the presidency and both chambers of Congress, PACs donated around 35% of their funds to Democrats and 65% to Republicans, but PACs increased their Democratic contribution share to around 50% in November 2006 after Democrats took over both House and Senate.[39]

In the DiD, I estimate the effect of changes in partisan donation shares of PACs after the 2006 midterm elections on the partisan contribution share of employees.[40] Thus, I leverage the large swings in

[37] See Table B3 in the online appendix. Note that sales and number of employees are missing for more than half of firm-years, as many firms cease to be publicly traded throughout the investigation period. However, these firms still make donations via their PAC or employees, and thus, are still part of my sample.

[38] The estimates are only slightly smaller using industry-legislator-year fixed effects. See Table B1 in the online appendix.

[39] Employee donations in these firms did also react to the change in majority status but much slower and less drastically than did their company PACs, as shown in Figure C1 in the online appendix.

[40] I use the 2006 majority change because it happened in both chambers of Congress, making this a complete change in partisan control. In November 2010, only the House switched to Republicans, and it is not clear whether PACs or donors react differently to changes in only one chamber. Second, while the share of corporate donations to Republicans increased by about 9.7 percentage points in 2011, the changes to Democrats in 2007 grow by 12.5.

TABLE 3. Employee Donations and PAC Donations, Difference-in-Differences Estimates, by Occupation, 2003-2010

	Employee Democratic donation share			
	All	Rank and file	Executives	Gov. relations
	(1)	(2)	(3)	(4)
Δ*DEM PAC Share*$_i$ × *post* 2006$_t$	0.128***	0.070*	0.131***	0.051***
	(0.042)	(0.040)	(0.033)	(0.018)
Firm FEs	√	√	√	√
Year FEs	√	√	√	√
Observations	8,216	8,216	8,216	8,216
Adjusted R^2	0.351	0.316	0.322	0.248

Note: Standard errors clustered by firm.*$p < 0.1$, **$p < 0.05$, ***$p < 0.01$.

partisan donations after this election and that employees are often well informed about the partisan composition of their company's PAC donations (Li 2018).[41] Between 2003 and 2010, I compare the Democratic-employee-donation share in firms with large shifts of PAC donations to Democrats to the Democratic-employee-donation share in companies in which PACs were less reactive to the change in Congressional majorities. I use the following DiD setup:

$$\begin{aligned} &Employee\ \ DEM\ \ Share_{it} \\ &= \delta(\Delta DEM PAC\ \ Share_{it} \times Post\, 2006_t) + \alpha_i + \gamma_t + \varepsilon_{it}, \end{aligned}$$

where the outcome is the share of the US$ amount of employee donations of company i in year t to Democrats, $\Delta DEM\ PAC\ Share_i$ indicates the change in the average share of PAC donations of company i between the two years before and after the change in majorities, *Post* 2006$_t$ is a dummy that equals one after 2006 and zero before, and α_i and γ_t are firm- and year-fixed effects. The coefficient of interest is δ, the interaction $\Delta DEM\ PAC\ Share_i \times Post\ 2006_t$. If employee donations change more strongly toward Democrats in companies where PACs donate relatively more to Democrats in 2006, this would provide evidence in favor of a material interest motive for alignment, as employees are unlikely to change their partisanship at the same time as the company for ideological reasons.

As can be seen in column 1 in Table 3, within-firm employee donation shares to the Democratic party increase significantly, by 12.8 percentage points, for a one-unit shift in PAC Democratic donation share after 2006. Differentiating between occupations, executives are the most reactive, changing donations by 13.1 percentage points compared with rank-and-file employees, with 7 percentage points, and government-relations officers, with only 5 percentage points. The changes are driven by employees donating more dollars to Democrats, not by reductions to Republicans.[42]

How substantively large are these estimates? The coefficients in Table 3 refer to a one-unit increase in the Democratic PAC donation share (from 0 to 1), which might not be a typical shift in the sample of 1,027 firms. In fact, the mean range of the change in PAC Democratic donation share observed *within* firms is 17.4 percentage points, the 95th percentile around 53.3 percentage points, and 27.1% of the firms do not change their donation allocation after the 2006 midterm elections.[43] Following Mummolo and Peterson (2018), I interpret the effects using changes in the treatment residualized with respect to the fixed effects used. A one-standard-deviation change in the residualized PAC donation share shift to Democrats (0.119) yields a $0.128 \times 0.119 = 0.015$, or 1.5-percentage-point change in overall employee Democratic donation share. A larger two-standard-deviation change in the residualized treatment implies a 3.1-percentage-point change in the outcome. The effects are slightly larger for executives (1.6% and 3.1%) and lower for rank and file (0.8% and 1.7%) and government affairs officers (0.6% and 1.2%).[44] Thus, while the results show some partisan realignment of employee donations, the effects are relatively modest, especially for rank-and-file and government-relations employees.

One concern about the DiD could be that the types of firms that switch their partisan donations after Congressional majority changes are systematically different from nonswitching firms or organizations that tend to donate to one party. For instance, PACs and members of labor organizations almost always donate to Democrats, whereas firms and employees in extractive industries tend to donate to Republicans (Bonica 2014). Thus, firms that drastically increase Democratic

[41] When asked to guess the percentage of PAC donations going to either party, a majority of individual donors guessed within 14 percentage points of the actual value (Li 2018, 10–1).

[42] See Figure C4 and C5 in the online appendix.

[43] I provide a histogram with the within-unit ranges in treatment changes in Figure C6 in the online appendix.

[44] See online appendix C2 for more details on the interpretation of effect sizes. For example, while Lockheed Martin's PAC increased donations to Democrats by 14.2 percentage points, Oracle even shifted 31.4 percentage points.

donations could also be more likely to attract employees who donate to Democrats or employees who are nonpartisan. However, I do not find any pretreatment trends in the share of employee donor dollars going to Democrats for any of the occupations.[45] Firms with larger shifts in PAC donations also do not have employee donors who systematically allocate donations more equally between parties.[46] Moreover, treated firms do not tend to come from particular industries.[47] Furthermore, it is not clear whether employees change their partisan donations or whether new donors with aligned donations are mobilized.[48] Still, tracking (and disambiguating) individuals, especially rank-and-file employees, over time is very challenging. In a supplementary analysis, I use individual executive-level data from Bonica (2016a) and find that individual executives also change their partisan donations in response to swings in PAC donations.[49] Finally, one might be worried that economic shocks, like the Global Financial Crisis starting in 2007, might affect either PAC or employee donations, especially for the industries that faced more financial distress. The results are very similar using a shorter panel from 2005 to 2008[50], and the results do not change when I include industry-year trends or industry-year fixed effects.

Overall, the DiD estimates provide evidence against an ideological motive behind aligned employee donations and tentative evidence against self-selection of donors into politically aligned firms. Material motivations seem the most likely explanations for the findings. While it would seem more difficult to pressure executives into political activity (Hertel-Fernandez 2018), I cannot rule out workplace coercion for the rank-and-file employees.

Further Evidence on Alignment: Value, Transparency, and Ideology

Below, I provide further tentative evidence on whether alignment arises due to career concerns, self-selection, or coercion based on the value of politicians, transparency of corporate political activity, and ideology of candidates.

First, building on the literature that finds that committee membership is an important determinant of corporate donations (Berry and Fowler 2018; Fouirnaies and Hall 2018), I investigate whether the politicians on whom firms and employee donors align are *valuable for the company*. If there is an investment-related mechanism behind aligning donations, aligned donations disproportionally go to politicians of value for one's company. In the upper panel of Figure 3, I focus on within-firm–legislator variation over time and regress logged politician-specific employee donation amounts on a binary indicator for employer PAC donations to the same candidate in the same year. I then interact the PAC donation indicator with a dummy for whether a politician is chair of a committee, subcommittee, or whether the politician is a member of a powerful committee (Ways and Means or Appropriations) in a given year. The results show that in addition to the increase in contributions to PAC-supported candidates, employee donations increase by around 6.4% if the candidate is committee chair in that year. In comparison, being a subcommittee chair increases employee donations by only 3.5%. The largest increase is apparent for chairs of powerful committees, who see a positive change of about 10%.

The political value of a politician might depend on a company's industry. I infer industry-preferred candidates from corporate lobbying activity. From the LobbyView database (Kim 2018), I obtain firm-year-bill-level lobbying expenditures, linked to politicians sponsoring those bills. The firms can be linked to 86 broad three-digit industry codes. I then calculate the annual industry interest in a politician by dividing the amount of lobbying expenditures of an industry to this politician by the overall lobbying expenditures of the industry in that year.[51] This measure varies over politicians and time and takes into account that a firm might be regulated by multiple committes. I use binary variables indicating whether the industry share of lobbying expenses going to this politician in this year is larger than or equal to 0.01 or 0.05. When I interact the industry importance of a politician with politician-specific PAC donations, this interaction is significantly and positively related to employee donations. If an entire industry spends more than 1% or 5% of its lobbying resources on a politician, this is associated with a 10% and 13.8% increase in employee donations. This result is particularly striking, as one has to take into account that aligned donations are already to candidates that are politically important for the company; if not, it would be unlikely that PACs would donate to these politicians in the first place. Finally, I use the legislative effectiveness scores developed by Volden and Wiseman (2014) to see whether aligned donations go to more efficient legislators. More effective lawmakers are indeed receiving more aligned employee donations, even though the relationship is quite small.[52]

45 See Figure C2 in the online appendix.

46 See Figure C3 in the online appendix. I use a measure of partisan donation equality, $1-|D_{it}-R_{it}|$. It ranges from 0 to 1, where 1 indicates that employees of firm i donate equally to both parties in year t and 0 that they donate to one party.

47 They are only slightly more likely to be utilities companies. See the results in Figure C3 and Table C1.

48 The analysis here is at the firm level. Ideally, I would follow individual donors over time and see whether they self-select into aligned companies or leave nonaligned companies. Bonica et al. (2021) find that physicians are more likely to leave an area with a partisan mismatch and leave workplaces with noncopartisan colleagues.

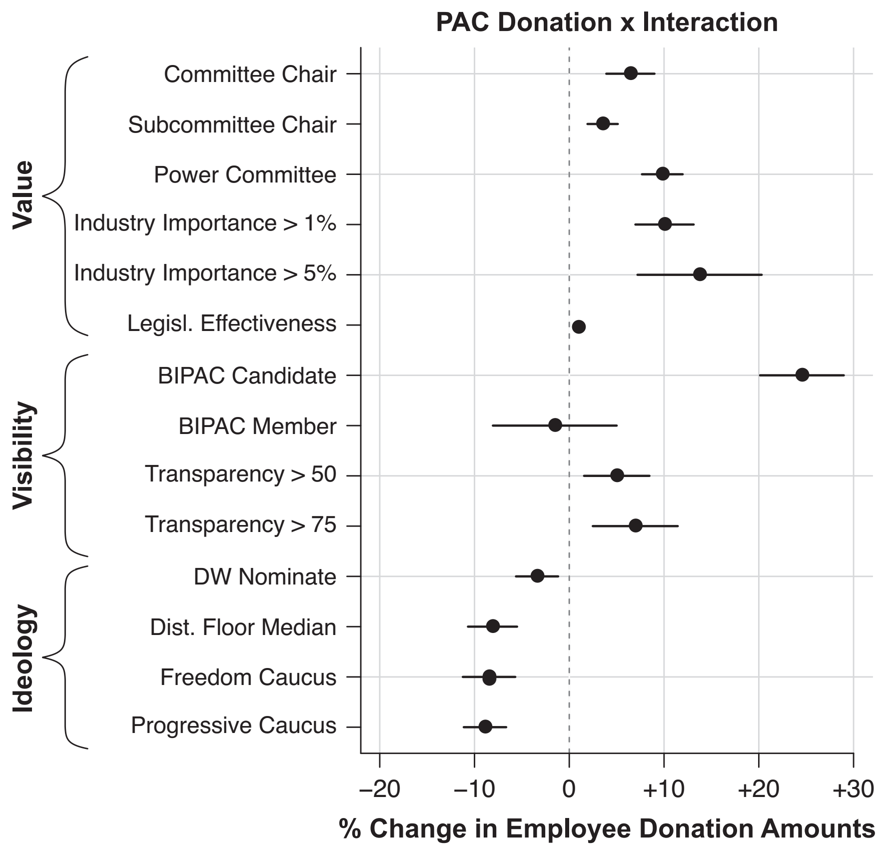
49 The magnitude of the results is similar to the firm-level effects in Table 3. See Table C5 and C6 in the online appendix.

50 See Table C2, Table C3, and C4 in the online appendix for further robustness.

51 The measure ranges from 0 to 1, where 0 indicates no industry-specific lobbying of this politician in a given year and 1 means all lobbying of this industry is concentrated on this specific politician in a given year.

52 The scores range from 0 to 18.7, where higher scores indicate more effectiveness. Going from 0 to average effectiveness (roughly 1) is

FIGURE 3. PAC Donations and Employee Donation Amounts in Logged $US, by Characteristics of Firms and Politicians, 2003–2018



Note: This figure shows the relationship between the PAC donations (1/0) of firm *i* to a politician *j* in year *t* and the logged US$ donation amount of firm *i*'s employees to politician *j* in year *t*. Each row is the result of a separate regression in which the binary *PAC Donation*$_{ijt}$ indicator is interacted with firm- or politician-level characteristics, using the specification in Table 2.

Second, I look at the relationship between *visibility* of corporate political activity and employee donations. PAC donations are published by the FEC, but not every employee might be aware of the public availability of donations data. If donations are more likely to go to firm-supported candidates in more transparent companies, this could be either because employees can more easily self-select into aligned companies or because they can more easily observe which donation would be helpful for their employer. For the period between 2011 and 2018, the Zicklin Reports by the Center for Political Responsibility (CPA 2019) provide data on transparency of corporate political activity, such as donations, of 608 publicly traded companies of which 512 are also in the data used in this article. The Zicklin reports provide 24 different variables related to disclosure of political activity, such as whether a company publicizes supported candidates, has an easily accessible website listing political donations, or whether it publicizes the decision-making process for PAC donations.[53] I subset the data used above to the years between 2012 and 2018 for which the transparency score is measured reliably.[54] In Figure 3, I interact the transparency score for firm *i* in year *t* with the dummy for politician-specific PAC donations. I use different dummy variables indicating that the transparency score is above 50 and 75, respectively (the mean score is 43.2). Employee donations to PAC-supported politicians are about 4.1% or 5.7% larger for firms with a corporate political transparency larger than 50 or 75, respectively. Another way to investigate the effect of visibility on aligned donations is to leverage company membership in the Business–Industry Political Action Committee (BIPAC). Employees should be contributing more to PAC-supported candidates if

associated with a 1% increase in donated dollars to aligned politicians.

[53] Another way would be to use company's political-communication costs. However, only three corporate PACs note any political-communication costs between 2003 and 2018.

[54] I use the Zicklin transparency score, created from all 24 variables, as an overall measure of visibility of corporate political activity. The score ranges from 0 to 100, where 0 means no transparency and 100 means full transparency of political activity. The reports have been available since 2011, but the scoring changed in 2012.

their company is a member of BIPAC or if the candidate they donate to is BIPAC-endorsed. I collect data on BIPAC-supported candidates and BIPAC membership from the BIPAC website and the FEC filings of the BIPAC political action committee. Above in Figure 3, I show that employees donate 24.5% more dollars to BIPAC- and PAC-supported candidates,[55] but they do not spend more or less just because their firm is a BIPAC member. Though ultimately I cannot observe workplace pressure, I also fail to find evidence for this mechanism, as shown by the insignificant interaction between PAC donations and BIPAC membership. It is also consistent with survey evidence that shows encouragement to donate as the least-used mobilization strategy by employers (Hertel-Fernandez 2018).

Finally, I provide evidence on the relationship between alignment and politician *ideology.* A large literature observes that donors are more ideologically extreme than the average voter (Broockman and Malhotra 2018; Hill and Huber 2017). If aligned donations go disproportionally to more ideologically extreme candidates, this would be more consistent with self-selection but less consistent with mechanisms based on material incentives.[56] In the lower panel of Figure 3, I first interact PAC donations with a politician's DW-Nominate score (Lewis et al. 2021). The coefficient on the interaction term is significant and slightly negative, indicating that a one-unit increase in ideology is associated with 3.5% decrease in employee donations to PAC-supported candidates. To see whether this is driven by more moderate or more conservative employee donations, I also interact PAC donations with the ideological distance of a politician to the median floor member of House and Senate, respectively, which ranges from 0 to 1.6. A one-unit increase in the distance to the floor median means a 8.1% decrease in donations for aligned politicians, suggesting that aligned donations tend to go to moderates. Last, I test whether alignment differs for more ideologically extreme caucuses of the Republican and the Democratic party, the Freedom Caucus and Progressive Caucus. Membership in both caucuses decreases alignment. Interestingly, the effect is almost equal in size, reducing aligned donations by about 8%.

DISCUSSION

How do the findings of this article influence how we think about individual and corporate donations in U.S. politics? First, much of the money in politics literature has argued that PAC donations do not buy quid pro quo political favors (Ansolabehere, de Figueiredo, and Snyder 2003; Fowler, Garro, and Spenkuch 2019). However, even if donations do not directly buy votes, this does not mean that PAC donations are unimportant for political representation. The relatively small donations by corporate PACs might effectively be multiplied by employee contributions, making PACs more important to candidates than one might otherwise assume. Thus, the results stress the complementarities between different types of political influence and the necessity to study them in conjunction rather than in isolation. Second, *even within industries*, employees donate more to candidates supported by their firm, not candidates with jurisdiction over their industry (Barber, Canes-Wrone, and Thrower 2017), reflecting that sectoral economic preferences do not automatically translate into employee preferences (Na-Kyung Lee and Liou 2019). Finally, if donations of employees are at least partly a function of the political activity of the employer, ideal points that are derived from individual donations (Bonica 2014) might not reflect ideology but, rather, investment-motivated corporate political strategy.

The finding that even rank-and-file employee donations and corporate PAC contributions are aligned raises questions about the possibly coercive nature of this relationship. While I do not find evidence of workplace coercion in this article, I also cannot reject that pressure might play a role in influencing rank-and-file employee donors (Hertel-Fernandez 2018). However, it is important to note that firm-aligned employee donations do not need to be per se problematic, as employers might merely activate preexisting political preferences of employee donors. Other groups such as unions, while lacking the potentially coercive power of employers, also mobilize and inform employees about politics (Ahlquist, Clayton, and Levi 2014; Macdonald 2021). However, if employers systematically pressure employees into donating to company-friendly politicians, this might infringe employees' freedom of political expression. It also calls into question the high transparency of donations in the US compared with that of other countries where the threshold for disclosing individual donors is often much higher.[57] U.S. disclosure rules make political finance more transparent for the public, but they also enable employers (and other actors) to monitor the political leanings and contributions of employees, which could facilitate political pressure and open the door for workplace discrimination.

Future research on money in politics should focus on the firm as a unit of analysis (Bertrand, Bombardini, and Trebbi 2014; Kim 2017; Osgood 2018) and pay closer attention to the complementarities between different strategies of corporate political influence. Future work should also hone in on how other actors, such as unions or trade associations, might affect the donations of employees or interact with firm-level mobilization efforts. Unions could potentially decrease employer pressure and reduce alignment or align employees'

[55] This is in line with smaller-scale results of Hertel-Fernandez (2018, 193–7).

[56] See Figure A7 in the online appendix. I show that this pattern is mostly the same across different occupations.

[57] For instance, donor identity needs to be disclosed if annual donations exceed 14,000 Australian Dollars in Australia ($10,500), 1,000 Euros in Germany ($1,150), or 50,000 yen in Japan ($450) (IDEA 2021).

interests more strongly with corporate interests. Linking firm-location-specific unionization data (Becher, Stegmueller, and Käppner 2018) with employee and PAC donations data would enable researchers to investigate the role of unions in moderating alignment between firm and employee donations. In general, more information on how exactly corporations might influence employee donations is needed, and this might require using original surveys of employees (Hertel-Fernandez 2018) or donors (Broockman and Malhotra 2018)—especially outside of the US, where stricter campaign spending limits and the banning of corporate donations (Cagé 2020) make it impossible to use donations as a lens into firm-employee alignment. In addition, informal norms and corporate cultures vary widely across countries and might discourage or incentivize workplace politics in the first place (Cheng and Groysberg 2020). Future work should further investigate whether alignment of firm and employee donations is caused by self-selection into aligned companies or employees changing donation allocations. While the results in this article cannot be explained by geographic colocation and self-selection, recent work shows that physicians self-select into places with more ideological fit and leave workplaces with noncopartisan coworkers (Bonica et al. 2021). One possible future research project could be to match individual donor data from the FEC to high-quality voter registration files. Thus, one could track individuals over time, compare employee donations with primary registrations, and allow comparisons between employee donors and their coworkers. This would enable researchers to better understand political sorting mechanisms around the workplace across industries.

SUPPLEMENTARY MATERIALS

To view supplementary material for this article, please visit http://dx.doi.org/10.1017/S0003055421000836.

DATA AVAILABILITY STATEMENT

Research documentation and/or data that support the findings of this study are openly available at the American Political Science Review Dataverse: https://doi.org/10.7910/DVN/GHRHU7.

ACKNOWLEDGMENTS

I thank Ben Ansell, Bruce Barry, Abhit Bhandari, Michael Becher, Kenneth Benoit, Brandice Canes-Wrone, Elizabeth Dekeyser, Greg Distelhorst, Maurice Dunaiski, Ray Duch, Andy Eggers, Victor Gay, Alex Hertel-Fernandez, Selina Hofstetter, In Song Kim, Yuzuru Kumon, Horacio Larreguy, Jieun Lee, Zhao Li, Imil Nurutdinov, Raluca Pahontu, Tom Paskalis, Elena Pupaza, Toni Rodon, Brian Kelleher Richter, Stephanie Rickard, Howard Rosenthal, Thomas Robinson, Nelson Ruiz, Mohamed Saleh, Moritz Schmoll, David Singer, Erik Wang, Stephane Wolton, and Hye Young You for comments and suggestions. I also thank participants of the 2020 APSA Frontiers of Money in Politics Research conference, the MaxPo-CEE Roundtable on Corporate Power, the IAST-TSE Tuesday Lunch Seminar, the 2019 Nuffield Workshop on Inequality and Representation, the 2019 Pyrenean Interdisciplinary Research Event (PIREN), the 2019 and 2021 EPSA Annual Meeting, the 2019 Oxford-LSE Politics Graduate Conference, the 2019 MPSA Annual Meeting, the 2019 GradNet Conference, the LSE PSPE Work in Progress seminar, and the 2018 International Political Economy Society Annual Meeting for valuable feedback and comments. An earlier version of this paper was circulated under the title "Political Alignment between Firms and Employees: Investment or Ideology?"

FUNDING STATEMENT

Funding from the French Agence Nationale de la Recherche (under the Investissement d'Avenir programme, ANR-17-EURE-0010) is gratefully acknowledged.

CONFLICT OF INTEREST

The author declares no ethical issues or conflicts of interest in this research.

ETHICAL STANDARDS

The author affirms this research did not involve human subjects.

REFERENCES

Ahlquist, John S., Amanda B. Clayton, and Margaret Levi. 2014. "Provoking Preferences: Unionization, Trade Policy, and the ILWU Puzzle." *International Organization* 68 (1): 33–75.

Alt, James E., Fredrik Carlsen, Per Heum, and Kare Johansen. 1999. "Asset Specificity and the Political Behavior of Firms: Lobbying for Subsidies in Norway." *International Organization* 53 (1): 99–116.

Alvarez, Michael R., Jonathan N. Katz, and Seo-young Silvia Kim. 2020. "Hidden Donors: The Censoring Problem in U.S. Federal Campaign Finance Data." *Election Law Journal: Rules, Politics, and Policy* 19 (1): 1–18.

Ansolabehere, Stephen, John M. de Figueiredo, and James M. Snyder. 2003. "Why Is There so Little Money in U.S. Politics?" *Journal of Economic Perspectives* 17 (1): 105–30.

Austen-Smith, David. 1995. "Campaign Contributions and Access." *American Political Science Review* 89 (3): 566–81.

Autor, David, David Dorn, Lawrence Katz, Christina Patterson, and John Van Reenen. 2017. "The Fall of the Labor Share and the Rise of Superstar Firms." *NBER* Working Paper 23396.

Azar, José, Ioana Marinescu, and Marshall I. Steinbaum. 2017. "Labor Market Concentration." NBER Working Paper 24147.

Bafumi, Joseph, and Michael C. Herron. 2010. "Leapfrog Representation and Extremism: A Study of American Vorters and

Their Members in Congress." *American Political Science Review* 104 (3): 519–42.
Barber, Michael J. 2016a. "Donation Motivations: Testing Theories of Access and Ideology." *Political Research Quarterly* 69 (1): 148–59.
Barber, Michael J. 2016b. "Ideological Donors, Contribution Limits, and the Polarization of American Legislatures." *Journal of Politics* 78 (1): 296–310.
Barber, Michael J., Brandice Canes-Wrone, and Sharece Thrower. 2017. "Ideologically Sophisticated Donors: Which Candidates Do Individual Contributors Finance?" *American Journal of Political Science* 61 (2): 271–88.
Becher, Michael, Daniel Stegmueller, and Konstantin Käppner. 2018. "Local Union Organization and Law Making in the US Congress." *Journal of Politics* 80 (2): 539–54.
Berry, Christopher R., and Anthony Fowler. 2018. "Congressional Committees, Legislative Influence, and the Hegemony of Chairs." *Journal of Public Economics* 158: 1–11.
Bertrand, Marianne, Matilde Bombardini, and Francesco Trebbi. 2014. "Is It Whom You Know or What You Know? An Empirical Assessment." *American Economic Review* 104 (12): 3885–20.
Bonica, Adam. 2013. "Ideology and Interests in the Political Marketplace." *American Journal of Political Science* 57 (2): 294–311.
Bonica, Adam. 2014. "Mapping the Ideological Marketplace." *American Journal of Political Science* 58 (2): 367–86.
Bonica, Adam.2016a. "Avenues of Influence: On the Political Expenditures of Corporations and Their Directors and Executives." *Business and Politics* 18 (4): 367–94.
Bonica, Adam.2016b. Database on Ideology, Money in Politics, and Elections: Public version 2.0 [Computer file]. Stanford, CA: Stanford University Libraries. https://data.stanford.edu/dime
Bonica, Adam, Howard Rosenthal, Kristy Blackwood, and David J. Rothman. 2021. "Ideological Sorting of Physicians in Both Geography and the Workplace." *Journal of Health Politics, Policy, and Law* 45 (6): 1023–57.
Broockman, David, and Neil Malhotra. 2018. "What Do Donors Want? Heterogeneity by Party and Policy Domain." Stanford University Graduate School of Business. Research Paper 19–10.
Busch, Marc L., and Eric Reinhardt. 2000. "Geography, International Trade, and Political Mobilization in U.S. Industries." *American Journal of Political Science* 44 (4): 703–19.
Cagé, Julia. 2020. *The Price of Democracy*. Cambridge, MA: Harvard University Press.
CFO. 2004. "Office Politics." *CFO Magazine*, July 12. http://ww2.cfo.com/risk-compliance/2004/07/office-politics-2/
Cheng, J. Yo-Jud, and Boris Groysberg. 2020. "How Corporate Cultures Differ around the World." *Harvard Business Review*, January. https://hbr.org/2020/01/how-corporate-cultures-differ-around-the-world.
CPA. 2019. "Past CPA-Zicklin Index Reports." *Political Accountablility.net.* https://politicalaccountability.net/index/past-cpa-zicklin-index-reports-2.
Drutman, Lee. 2015. *The Business of America is Lobbying*. Oxford: Oxford University Press.
Ensley, Michael J. 2009. "Individual Campaign Contributions and Candidate Ideology." *Public Choice* 138 (1–2): 221–38.
Federal Election Commission (FEC). 2021. "Federal Election Commission (FEC) Enforcement Statistics for Fiscal Years 1977–2021." https://www.fec.gov/resources/cms-content/documents/enforcementstats1977to2021.pdf.
Feigenbaum, James, Alexander Hertel-Fernandez, and Vanessa Williamson. 2018. "From the Bargaining Table to the Ballot Box: Political Effects of Right to Work Laws." NBER Working Paper Series 24259: 1–70.
Fouirnaies, Alexander, and Andrew B. Hall. 2014. "The Financial Incumbency Advantage: Causes and Consequences." *Journal of Politics* 76 (3):711–24.
Fouirnaies, Alexander, and Andrew B. Hall. 2016. "The Exposure Theory of Access: Why Some Firms Seek More Access to Incumbents Than Others." Stanford University. Working Paper. https://stanforddpl.org/papers/fouirnaies_hall_exposure_2016/fouirnaies_hall_exposure_2016.pdf.
Fouirnaies, Alexander, and Andrew B. Hall. 2018. "How Do Interest Groups Seek Access to Committees?" *American Journal of Political Science* 62 (1): 132–47.
Fowler, Anthony, Haritz Garro, and Jörg L. Spenkuch. 2020. "Quid Pro Quo? Corporate Returns to Campaign Contributions." *Journal of Politics* 82 (3): 844–58.
Francia, Peter L. 2003. *The Financiers of Congressional Elections Investors, Ideologues, and Intimates*. New York: Columbia University Press.
Gimpel, James G., Frances E. Lee, and Shanna Pearson-Merkowitz. 2008. "The Check Is in the Mail: Interdistrict Funding Flows in Congressional Elections." *American Journal of Political Science* 52 (2): 373–94.
Gordon, Sanford C., Catherine Hafer, and Dimitri Landa. 2007. "Consumption or Investment? On Motivations for Political Giving." *Journal of Politics* 69 (4): 1057–72.
Gupta, Abhinav, and Adam J. Wowak. 2017. "The Elephant (or Donkey) in the Boardroom: How Board Political Ideology Affects CEO Pay." *Administrative Science Quarterly* 62 (1): 1–30.
Hall, Richard L., and Frank W. Wayman. 1990. "Buying Time: Moneyed Interests and the Mobilization of Bias in Congressional Committees." *American Political Science Review* 84 (3): 797–820.
Hansen, Wendy L., Neil J. Mitchell, and Jeffrey M. Drope. 2005. "The Logic of Private and Collective Action." *American Journal of Political Science* 49 (1): 150–67.
Heerwig, Jennifer A. 2017. "Money in the Middle: Contribution Strategies among Affluent Donors to Federal Elections, 1980–2008." *American Journal of Sociology* 123 (4): 1004–63.
Hertel-Fernandez, Alexander. 2018. *Politics at Work: How Companies Turn Their Workers into Lobbyists—and Why Americans Should Care*. New York: Oxford University Press.
Hill, Seth J., and Gregory A. Huber. 2017. "Representativeness and Motivations of the Contemporary Donorate: Results from Merged Survey and Administrative Records." *Political Behavior* 39 (1): 3–29.
IDEA. 2021. "Political Finance Database." https://www.idea.int/data-tools/data/political-finance-database.
Kalla, Joshua L., and David E. Broockman. 2016. "Campaign Contributions Facilitate Access to Congressional Officials: A Randomized Field Experiment." *American Journal of Political Science* 60 (3): 545–58.
Kim, In Song. 2017. "Political Cleavages within Industry: Firm-Level Lobbying for Trade Liberalization." *American Political Science Review* 111 (1): 1–20.
Kim, In Song. 2018. "LobbyView: Firm-Level Lobbying and Congressional Bills Database." MIT. Working Paper. http://web.mit.edu/insong/www/pdf/lobbyview.pdf.
Kim, Sung Eun, and Yotam Margalit. 2017. "Informed Preferences? The Impact of Unions on Workers' Policy Views." *American Journal of Political Science* 61 (3): 728–43.
La Raya, Raymond J., and Brian F. Schaffner. 2015. *Campaign Finance and Political Polarization*. Ann Arbor: University of Michigan Press.
Langbein, Laura I. 1986. "Money and Access: Some Empirical Evidence." *Journal of Politics* 48 (4): 1052–162.
Lewis, Jeffrey B., Keith Poole, Howard Rosenthal, Adam Boche, Aaron Rudkin, and Luke Sonnet. 2021. Voteview: Congressional Roll-Call Votes Database [Computer file]. UCLA Department of Political Science and Social Science Computing [Distributor]. https://voteview.com/.
Li, Zhao. 2018. "How Internal Constraints Shape Interest Group Activities: Evidence from Access-Seeking PACs." *American Political Science Review* 112 (4): 792–808.
Macdonald, David. 2021. "How Labor Unions Increase Political Knowledge: Evidence from the United States." *Political Behavior* 43: 1–24.
Mares, Isabela, and Lauren Young. 2016. "Buying, Expropriating, and Stealing Votes." *Annual Review of Political Science* 19: 267–88.
Martin, Cathie Jo, and Duane Swank. 2012. *The Political Construction of Business Interests: Coordination, Growth, and Equality*. New York: Cambridge University Press.
McConnell, Christopher, Yotam Margalit, Neil Malhotra, and Matthew Levendusky. 2018. "The Economic Consequences of Partisanship in a Polarized Era." *American Journal of Political Science* 62 (1): 5–18.
Milyo, Jeffrey, David Primo, and Timothy Groseclose. 2000. "Corporate PAC Campaign Contributions in Perspective." *Business and Politics* 2 (1): 75–88.

Mummolo, Jonathan, and Erik Peterson. 2018. "Improving the Interpretation of Fixed Effects Regression Results." *Political Science Research and Methods* 6 (4): 829–35.

Na-Kyung Lee, Haillie, and Yu-Ming Liou. 2019. "Where You Work Is Where You Stand: A Firm-Based Theory of Trade Opinion." Working Paper. Seoul National University.

Olson, Mancur. 1965. *The Logic of Collective Action. Public Goods and the Theory of Groups*. Cambridge, MA: Harvard University Press.

Osgood, Iain. 2018. "Globalizing the Supply Chain: Firm and Industrial Support for US Trade Agreements." *International Organization* 72 (2): 455–84.

Poole, Keith T., Thomas Romer, and Howard Rosenthal. 1987. "The Revealed Preferences of Political Action Committees." *American Economic Review* 77 (2): 298–302.

Powell, Eleanor Neff, and Justin Grimmer. 2016. "Money in Exile: Campaign Contributions and Committee Access." *Journal of Politics* 78 (4): 974–88.

Richter, Brian Kelleher, and Timothy Werner. 2017. "Campaign Contributions from Corporate Executives in Lieu of Political Action Committees." *Journal of Law, Economics, and Organization* 33 (3): 443–74.

Snyder, James M. 1992. "Long-Term Investing in Politicians; or, Give Early, Give Often." *The Journal of Law and Economics* 35 (1): 15–43.

Stuckatz, Jan. 2020. "Political Alignment between Firms and Employees in the United States: Evidence from a New Dataset." *Political Science Research and Methods*, 1–11. doi:10.1017/psrm.2020.19.

Stuckatz, Jan. 2021. "Replication Data for: How the Workplace Affects Employee Political Contributions." Harvard Dataverse. Dataset. https://doi.org/10.7910/DVN/GHRHU7.

Tullock, Gorden. 1972. "The Purchase of Politicians." *Western Economic Journal* 10 (3): 354–55.

Unsal, Omer, M. Kabir Hassan, and Duygu Zirek. 2016. "Corporate Lobbying, CEO Political Ideology and Firm Performance." *Journal of Corporate Finance* 38: 126–49.

Volden, Craig, and Alan E. Wiseman. 2014. *Legislative Effectiveness in the United States Congress. The Lawmakers*. Cambridge: Cambridge University Press.