

## **Internet Appendix**

for “Hidden in Plain Sight: The Role of Corporate Board of  
Directors in Public Charity Lobbying”

by

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## A.1 Public charities and lobbying allowances

Public charities can engage in either direct or grassroots lobbying within fairly generous limits, insofar as such lobbying does not constitute a “substantial part” of the organization’s activities. While this provision is meant to leave room for charities to undertake legislative activities in furtherance of their program goals, the baseline “substantial part” test depends largely on the subjective case-by-case evaluation by the Internal Revenue Service (IRS). To avoid this subjectivity, charities may elect to subject themselves to a predefined “expenditure test” under Section 501(h) that explicitly outlines the limitations to lobbying. Under this rule, charities can spend up to 20% of the first \$500,000 of their total annual exempt purpose expenditures on lobbying, 15% of expenditures in excess of \$500,000, 10% of expenditures over \$1 million, and 5% of expenditures above \$1.5 million, with a total lobbying cap of \$1 million.<sup>1</sup> Moreover, violating such rules has modest consequences. In a given year, violating charities are levied a 25% tax on the portion of lobbying expenditures that exceed the limit, and their tax-exempt status is revoked only if their lobbying exceeds the limit by more than a 50% margin over a four-year period. Overall, public charities have considerable leeway in their ability to lobby.

## A.2 Additional tables

The following are additional tables mentioned and referred to in the paper.

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<sup>1</sup>Grassroots lobbying is capped at 25% of the total allowable lobbying ceiling under the “expenditure test”.

**Table A.1. Top Lobbying Interests**

Panel A of this table presents for each of the Fama-French 30 industries the top three lobbying issues for each industry based on the industry's aggregate lobbying expenditures, and the percentages of the industry's aggregate lobbying expenditures spent on these top three issues. Panel B presents similar statistics for charities across different types of charity organizations as defined in the IRS Exempt Organizations Business Master File. A dictionary for the lobbying issue codes is given in Panel C.

*Panel A. Fama-French 30 Industries*

Industries	Top Lobbying Issues					
	Top 1	% Spending	Top 2	% Spending	Top 3	% Spending
Food Products	AGR	19%	FOO	12%	TRD	12%
Beer & Liquor	TAX	18%	FOO	15%	HCR	9%
Tobacco Products	TOB	54%	TAX	18%	AGR	6%
Recreation	GAM	21%	TAX	16%	TEC	8%
Printing and Publishing	EDU	27%	COM	11%	CPT	10%
Consumer Goods	TAX	12%	TRD	9%	HCR	8%
Apparel	TRD	29%	TAX	15%	SPO	12%
Healthcare, Medical Equipment, Pharmaceutical Products	HCR	26%	MMM	20%	TAX	11%
Chemicals	ENG	22%	ENV	9%	TRD	8%
Textiles	TRD	81%	TAX	10%	LBR	2%
Construction and Construction Materials	TAX	24%	ENG	13%	ENV	6%
Steel Works, etc	TRD	19%	DEF	12%	ENG	12%
Fabricated Products and Machinery	TAX	16%	ENG	14%	TRD	10%
Electrical Equipment	TAX	30%	ENG	22%	DEF	19%
Automobiles and Trucks	TAX	11%	DEF	9%	AUT	7%
Aircraft, Ships, and Railroad Equipment	DEF	16%	TAX	10%	BUD	9%
Precious Metals, Non-Metallic, Industrial Metal Mining	NAT	38%	CHM	10%	TRA	9%
Coal	ENG	23%	LBR	12%	NAT	12%
Petroleum and Natural Gas	ENG	15%	TAX	12%	ENV	9%
Utilities	ENG	19%	UTI	17%	TAX	13%
Communication	TEC	27%	COM	17%	TAX	15%
Personal and Business Services	TAX	12%	CPI	10%	EDU	7%
Business Equipment	DEF	13%	TAX	10%	TRD	7%
Business Supplies and Shipping Containers	TAX	16%	ENV	7%	DEF	7%
Transportation	AVI	15%	TAX	12%	TRA	12%
Wholesale	MMM	23%	HCR	20%	ENG	13%
Retail	TAX	15%	HCR	12%	LBR	7%
Restaurants, Hotels, Motels	TAX	25%	FOO	10%	HCR	9%
Banking, Insurance, Real Estate, Trading	FIN	15%	TAX	14%	BAN	10%
Everything Else	TAX	13%	DEF	11%	ENV	8%

(continued)

**Table A.1. Top Lobbying Interests (continued)**

	Top Lobbying Issues					
	Top 1	% Spending	Top 2	% Spending	Top 3	% Spending
Charity Activities						
Religious Activities	BUD	49%	EDU	20%	FOR	7%
Schools, Colleges, and Related Activities	BUD	20%	HCR	16%	MMM	12%
Cultural, Historical, or Other Educational Activities	BUD	40%	EDU	10%	GOV	6%
Other Instructions and Training Activities	COM	22%	CPT	16%	ADV	16%
Health Services and Related Activities	HCR	20%	BUD	19%	MMM	16%
Scientific Research Activities	HCR	18%	BUD	16%	MMM	16%
Farming and Related Activities	TAX	98%	AGR	2%		
Mutual Organizations	EDU	34%	VET	30%	BUD	26%
Employee of Membership Benefit Organizations	TAX	11%	HCR	7%	BUD	7%
Sports, Athletic, Recreational, and Social Activities	BUD	22%	EDU	13%	IMM	9%
Youth Activities	BUD	35%	EDU	9%	HCR	7%
Conservation, Environmental, and Beautification Activities	NAT	18%	BUD	14%	TAX	11%
Housing Activities	HOU	23%	TAX	20%	BUD	19%
Inner City or Community Activities	BUD	26%	EDU	17%	TAX	14%
Civil Rights Activities	FOR	11%	RES	11%	CIV	9%
Legislative and Political Activities	BUD	8%	TRD	7%	TAX	7%
Advocacy	BUD	19%	FOR	16%	DEF	15%
Other Activities Directed to Individuals	TAX	9%	AGR	7%	HCR	7%
Activities Purposes and Activities	BUD	36%	EDU	12%	TAX	7%
Other Purposes and Activities	BUD	14%	HCR	8%	TAX	7%

(continued)

**Table A.1. Top Lobbying Interests (continued)***Panel C. LDA Issue Dictionary*


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ACC	Accounting	HCR	Health Issues
ADV	Advertising	HOU	Housing
AER	Aerospace	IMM	Immigration
AGR	Agriculture	IND	Indian/Native American Affairs
ALC	Alcohol & Drug Abuse	INS	Insurance
ANI	Animals	LBR	Labor Issues/Antitrust/Workplace
APP	Apparel/Clothing Industry/Textiles	LAW	Law Enforcement/Crime/Criminal Justice
ART	Arts/Entertainment	MAN	Manufacturing
AUT	Automotive Industry	MAR	Marine/Maritime/Boating/Fisheries
AVI	Aviation/Aircraft/Airlines	MIA	Media (Information/Publishing)
BAN	Banking	MED	Medical/Disease Research/Clinical Labs
BNK	Bankruptcy	MMM	Medicare/Medicaid
BEV	Beverage Industry	MON	Minting/Money/Gold Standard
BUD	Budget/Appropriations	NAT	Natural Resources
CHM	Chemicals/Chemical Industry	PHA	Pharmacy
CIV	Civil Rights/Civil Liberties	POS	Postal
CAW	Clean Air & Water (Quality)	RRR	Railroads
CDT	Commodities (Big Ticket)	RES	Real Estate/Land Use/Conservation
COM	Communications/Broadcasting/Radio/TV	REL	Religion
CPI	Computer Industry	RET	Retirement
CSP	Consumer Issues/Safety/Protection	ROD	Roads/Highway
CON	Constitution	SCI	Science/Technology
CPT	Copyright/Patent/Trademark	SMB	Small Business
DEF	Defense	SPO	Sports/Athletics
DOC	District of Columbia	TAX	Taxation/Internal Revenue Code
DIS	Disaster Planning/Emergencies	TEC	Telecommunications
ECN	Economics/Economic Development	TOB	Tobacco
EDU	Education	TOR	Torts
ENG	Energy/Nuclear	TRD	Trade (Domestic & Foreign)
ENV	Environmental/Superfund	TRA	Transportation
FAM	Family Issues/Abortion/Adoption	TOU	Travel/Tourism
FIR	Firearms/Guns/Ammunition	TRU	Trucking/Shipping
FIN	Financial Inst./Investments/Securities	URB	Urban Development/Municipalities
FOO	Food Industry (Safety, Labeling, etc.)	UNM	Unemployment
FOR	Foreign Relations	UTI	Utilities
FUE	Fuel/Gas/Oil	VET	Veterans
GAM	Gaming/Gambling/Casino	WAS	Waste (Hazard/Solid/Interstate/Nuclear)
GOV	Government Issues	WEL	Welfare

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**Table A.2. Corporate Directors on Charity Boards**

This table presents summary statistics of corporate directors and their charity board memberships over the period from 1999 to 2017, for the sample of firms that exhibit lobbying activity at some point throughout the sample period. The number of firms and the average number of directors per firm, as well as the average number of directors per firm who have charity board memberships are shown for each year. The fraction of firms that have a director who is on a charity board, as well as the fraction of all directors who serve on charity boards are also shown for each year. The full sample time-series averages are shown at the bottom.

Year	No. Firms	No. Directors		% of Firms Connected to Charities	% of Directors on Charity Boards
		All	Charity Brd		
1999	870	7.99	0.76	48.85%	8.83%
2000	904	9.30	0.91	55.20%	9.08%
2001	935	10.28	1.02	59.79%	9.33%
2002	954	10.36	1.08	63.84%	9.95%
2003	969	10.46	1.11	65.12%	10.29%
2004	996	10.46	1.13	66.16%	10.43%
2005	1003	10.50	1.19	66.80%	10.83%
2006	998	10.55	1.20	67.43%	11.01%
2007	984	10.60	1.20	67.38%	10.88%
2008	959	10.61	1.22	68.72%	11.17%
2009	943	10.55	1.21	69.88%	11.21%
2010	933	10.51	1.24	70.53%	11.54%
2011	930	10.56	1.26	72.58%	11.79%
2012	918	10.50	1.28	73.53%	12.05%
2013	914	10.59	1.33	73.41%	12.38%
2014	917	10.53	1.28	71.76%	12.05%
2015	912	10.63	1.25	71.27%	11.53%
2016	865	10.67	1.20	70.75%	11.11%
2017	830	10.77	1.12	67.95%	10.32%
Average	933	10.35	1.16	66.93%	10.84%

**Table A.3. Robustness of Main Results**

This table presents results from alternative specifications for our main regressions of connected charity lobbying (*CCL*) on *Connected*<sub>*i,j,t-1*</sub>, a dummy variable equal to one if firm *i* and charity *j* shared a director on their boards in year *t* - 1 and zero otherwise. Columns 1 to 5 report alternative results from using *CCL* divided by lagged charity assets as the dependent variable. Columns 1-3 replace firm-by-charity and year fixed effects with firm-by-year and charity fixed effects, charity-by-year and firm fixed effects, or firm-by-year and charity-by-year fixed effects, respectively. Columns 4 to 9 alternatively adjust standard errors for clustering at the firm, charity, year, firm-by-year, charity-by-year, or firm industry-by-year levels, rather than at the firm-by-charity level. Column 10 uses *CCL Bill Scaled* as the dependent variable, alternatively adjusting for standard error clustering at the firm industry-by-charity level. Columns 11-12 estimate probit or logit models using as the dependent variable an indicator for whether *CCLVS* is positive, controlling for firm-by-charity and year fixed effects, and adjusting for standard error clustering at the firm-by-charity level.

	Dependent Variable:													
	CCL Scaled						CCL Bill Scaled						<i>I</i> (CCLVS>0)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	Probit	Logit
Connected	0.014*** (0.005)	0.011*** (0.004)	0.012** (0.006)	0.011*** (0.004)	0.011** (0.005)	0.011*** (0.003)	0.011*** (0.002)	0.011*** (0.002)	0.011** (0.005)	0.004*** (0.001)	0.023** (0.010)	0.024** (0.010)		
log(Charity Assets)	-0.056*** (0.009)	-0.050*** (0.009)	-0.050*** (0.006)	-0.050*** (0.009)	-0.050*** (0.015)	-0.050*** (0.014)	-0.050*** (0.008)	-0.050*** (0.014)	-0.050*** (0.009)	-0.012** (0.005)	-0.020* (0.011)	-0.017 (0.012)		
log(Firm Assets)		0.021*** (0.005)		0.024*** (0.006)	0.024* (0.012)	0.024*** (0.004)	0.024*** (0.003)	0.024*** (0.004)	0.024** (0.011)	-0.000 (0.001)	0.082*** (0.012)	0.082*** (0.012)		
ROA		0.060*** (0.023)		0.064*** (0.025)	0.064 (0.051)	0.064*** (0.017)	0.064*** (0.018)	0.064*** (0.023)	0.064 (0.053)	0.011 (0.008)	0.119*** (0.044)	0.121*** (0.044)		
Q		0.003 (0.003)		0.003 (0.003)	0.003 (0.002)	0.003 (0.002)	0.003* (0.002)	0.003* (0.002)	0.003 (0.002)	0.000 (0.001)	0.016*** (0.005)	0.016*** (0.005)		
Firm Debt/Assets		-0.030 (0.019)		-0.022 (0.019)	-0.022 (0.030)	-0.022* (0.012)	-0.022* (0.013)	-0.022* (0.013)	-0.022 (0.023)	0.007* (0.004)	-0.023 (0.046)	-0.030 (0.046)		
Observations	54,185	54,509	51,542	56,559	56,559	56,559	56,559	56,559	56,559	54,206	21,918	21,918		
Firm-Year FE	Yes	No	Yes	No	No	No	No	No	No	No	No	No	No	No
Charity-Year FE	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No
Firm FE	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No
Charity FE	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No
Firm-Charity FE	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SE Clustering		Firm-by-Charity		Firm	Charity	Year	Firm-by-Year	Charity-by-Year	Industry-by-Charity				Firm-by-Charity	
Adj (or Pseudo) R <sup>2</sup>	0.545	0.605	0.571	0.687	0.687	0.687	0.687	0.687	0.687	0.554	0.298	0.300		

**Table A.4. Educational Charities and Pro-Finance/Defense Lobbying**

This table presents univariate comparisons of the likelihood of lobbying or commenting on legislation bills by educational charities that are connected to firms in specific industries and educational charities that are not connected. Panel A (Panel B) focuses on whether educational charities are connected to finance related firms (defense related firms) and examines the likelihood of lobbying in topics related to banking/finance (defense), or the likelihood of commenting on legislation bills related to banking/finance (defense) in the same direction as their connected financial (defense) firms. Finance (defense) related firms are defined as firms in industry 29 (industries 12-16) of the Fama-French 30 industries. Finance (defense) related LDA topics include BAN, FIN, INS, MON, and RES (AER, DEF, and FOR). Finance (defense) related legislation bills are those with names that include the phrases “invest”, “financ”, “bank”, “wall street”, “loan”, “lending”, “borrow”, “capital”, “dodd-frank”, “jobs act”, “jumpstart our business startups”, or “insurance” (“national security”, “defense”, “military”, “intelligence”, “war”, “arms”, “armed”, “army”, “aero”, “missile”, “navy”, “naval”, “infantry”, or “geopolitic”). The differences in likelihoods between connected and unconnected charities and their one-tailed p-values are reported. Standard errors of likelihoods are reported in parentheses.

	Connected	Unconnected	Diff	p-value (C > U)
	(1)	(2)	(3)	(4)
<i>Panel A. Connections between Educational Charities and Financial Firms</i>				
Lobby in Bank/Finance Issues	0.041 (0.005)	0.031 (0.003)	0.009 (0.006)	0.05
Bill Position Aligned with Financial Firms	0.037 (0.018)	0.006 (0.003)	0.031 (0.011)	0.00
<i>Panel B. Connections between Educational Charities and Defense Firms</i>				
Lobby in Defense Issues	0.185 (0.010)	0.074 (0.005)	0.110 (0.010)	0.00
Bill Position Aligned with Defense Firms	0.023 (0.023)	0.011 (0.004)	0.012 (0.017)	0.25

**Table A.5. Summary Statistics of Matched Sample for Director Turnover and Addition Tests**

This table presents descriptive statistics for the matched samples used for the director turnover (Panel A) and addition (Panel B) tests in Section 3. The table reports for the main sample the distributions of variables and the differences of their means (and their t-statistics) between connected and unconnected firm-charity observations. Reported in Panel B are: alternative measures of connected charity lobbying (i.e., *CCL*, *CCLS*, *CCLVS*,  $I(CCLVS > 0)$ ), and *CCL Bill*, the number of connected firms per charity, charity grant and donation receipts, charity assets, the fraction of different charity types (i.e., 501(c)(3)s, education/health/science organizations, and interest/advocacy groups), the number of firms that make charitable donations (i.e., donor firms), the number of connected charities per firm, firm assets, firm Tobin's Q, firm leverage (i.e., debt-to-assets), firm profitability (ROA), firm lobbying expenditures, and firm government contracts.

*Panel A. Director Turnover Sample*

	Treated (C=410, F=929)			Control (C=287, F=624)			Diff	t-stat
	Mean	St.Dev	75%	Mean	St.Dev	75%		
<i>Charity-Firm Pairs</i>								
CCL (\$ thousand)	54.92	255.39	13.41	76.96	344.53	11.25	-22.04	-2.41
CCLS (\$ thousand)	37.72	197.49	0.00	48.80	243.62	0.00	-11.07	-1.65
CCLVS (\$ thousand)	132.76	682.35	0.00	151.19	743.63	0.00	-18.43	-0.85
$I(CCLVS > 0)$	0.15	0.36	0.00	0.14	0.35	0.00	0.01	0.67
CCL Bill (\$ thousand)	17.74	53.14	0.00	23.31	66.95	0.00	-5.57	-3.05
<i>Charities</i>								
No. Connected Firms	1.05	0.21	1.00	1.09	0.29	1.00	-0.04	-4.27
Grant Receipts (\$ million)	127.74	232.46	6.93	144.02	245.28	7.60	-16.29	-1.85
Assets (\$ million)	1,179.54	2,028.80	73.17	1,357.00	2,159.24	84.35	-177.46	-2.34
Fraction of Charity Types								
501(c)(3)	0.92			0.93			-0.01	-0.47
Education/Health/Science	0.72			0.77			-0.05	-1.46
Interest Groups/Advocacy	0.05			0.03			0.03	1.65
<i>Firms</i>								
Donor Firms	0.18			0.22			-0.04	-1.93
No. Connected Charities	1.05	0.22	1.00	1.11	0.31	1.00	-0.06	-5.88
Assets (\$ billion)	61.61	206.44	1.93	63.88	228.34	2.22	-2.27	-0.32
Tobin's Q	1.85	1.20	1.13	1.93	1.26	1.13	-0.08	-1.83
Debt/Assets	0.27	0.19	0.12	0.25	0.18	0.11	0.01	2.24
ROA	0.00	0.15	0.00	0.01	0.14	0.01	-0.01	-1.90
Lobbying Expenditures (\$ thousand)	1,288.36	2,646.18	0.00	1,268.94	2,629.81	0.00	19.42	0.22
Government Contracts (\$ million)	242.16	938.40	0.02	271.38	970.68	0.01	-29.21	-0.65

(continued)

**Table A.5. Summary Statistics of Matched Sample for Director Turnover and Addition Tests (continued)**

*Panel B. Director Addition Sample*

	Treated (C=426, F=1,098)			Control (C=257, F=468)			Diff	t-stat
	Mean	St.Dev	75%	Mean	St.Dev	75%		
<i>Charity-Firm Pairs</i>								
CCL (\$ thousand)	29.81	115.79	0.00	36.01	131.90	0.00	-6.19	-1.69
CCLS (\$ thousand)	16.40	64.72	0.00	19.35	73.42	0.00	-2.96	-1.45
CCLVS (\$ thousand)	75.34	385.99	0.00	108.87	499.23	0.00	-33.53	-2.57
I(CCLVS>0)	0.12	0.33	0.00	0.13	0.34	0.00	-0.01	-1.07
CCL Bill (\$ thousand)	13.95	47.41	0.00	13.14	45.01	0.00	0.81	0.59
<i>Charities</i>								
Grant Receipts (\$ million)	117.11	221.14	6.57	120.70	217.28	6.95	-3.59	-0.44
Assets (\$ million)	988.18	1,833.08	54.69	1,093.47	1,906.25	80.73	-105.29	-1.54
<i>Fraction of Charity Types</i>								
501(c)(3)	0.92			0.95			-0.02	-1.15
Education/Health/Science	0.72			0.75			-0.03	-0.93
Interest Groups/Advocacy	0.05			0.03			0.02	1.14
<i>Firms</i>								
Donor Firms	0.16			0.25			-0.09	-4.34
Assets (\$ billion)	41.62	139.38	1.24	61.47	198.32	1.30	-19.85	-3.63
Tobin's Q	2.02	1.49	1.14	1.96	1.36	1.13	0.07	1.36
Debt/Assets	0.25	0.19	0.08	0.26	0.19	0.11	-0.01	-2.19
ROA	0.00	0.17	0.00	0.01	0.15	0.01	-0.01	-1.52
Lobbying Expenditures (\$ thousand)	994.57	2,329.05	0.00	1,136.29	2,614.45	0.00	-141.72	-1.76
Government Contracts (\$ million)	213.64	847.07	0.00	211.33	881.81	0.00	2.32	0.05

**Table A.6. Changes in Board Connections from Director Turnovers**

This table presents results from firm-charity-year level difference-in-differences regressions of  $CCL Scaled_{i,j,t}$  on  $Turnover_{i,j}$ , a dummy variable equal to one if a firm-charity pair loses a board connection due to a director turnover in either the firm or charity and zero otherwise, and its interaction with  $After_{i,j,t}$ , which is a dummy variable equal to one if the firm-charity-year observation is within three years of a turnover event year (for treated firm-charity pairs) or a pseudo-event year (for matched firm-charity pairs). The regression is run within a six-year window, three years before and after, around the turnover event year (or pseudo-event year for the control pair).

$$CCL Scaled_{i,j,t} = \beta \cdot Turnover_{i,j} \times After_{i,j,t} + \lambda \cdot Controls_{i,j,t-1} + \alpha_{i,j} + \alpha_t + \epsilon_{i,j,t}$$

Treated firm-charity pairs are matched with control firm-charity pairs in the same year with the closest propensity score, estimated in a logistic model using firm asset size and charity asset size as of the year before the turnover event as well as firm industry and charity type fixed effects. Since director turnovers are staggered, we stack our treatment and control samples within each turnover year “cohort” and choose control firm-charity groups that never experience turnovers (i.e., “never treated controls”). We report results for alternative measures of connected charity lobbying (i.e.,  $CCLS$ ,  $CCLVS$ , and  $I(CCLVS > 0)$ ), each divided by lagged charity assets. We consider subsets of turnovers occurring in charities, firms, or both. We control for the logarithm of charity assets and several firm characteristics including the log of total assets, ROA, Tobin’s Q, and total debt as a fraction of assets, all measured at  $t - 1$ . Firm-by-charity-by-cohort and year-by-cohort fixed effects are included as well. Standard errors are clustered at the firm-by-charity level (\*\*\*)  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ ).

	Dependent Variable (Scaled by Charity Assets):								
	Departure from charity			Departure from firm			Departure from firm and charity		
	CCLS	CCLVS	$I(CCLVS > 0)$	CCLS	CCLVS	$I(CCLVS > 0)$	CCLS	CCLVS	$I(CCLVS > 0)$
Turnover × After	(1) -0.014** (0.006)	(2) -0.037* (0.020)	(3) -0.033** (0.014)	(4) 0.003 (0.013)	(5) 0.016 (0.058)	(6) 0.006 (0.016)	(7) -0.016 (0.012)	(8) -0.070 (0.050)	(9) 0.011 (0.012)
log(Charity Assets)	-0.010 (0.021)	-0.024 (0.053)	0.004 (0.018)	-0.050 (0.059)	-0.242 (0.212)	0.013 (0.032)	-0.115*** (0.034)	-0.631*** (0.170)	-0.007 (0.018)
log(Firm Assets)	0.011* (0.007)	0.030 (0.023)	0.029* (0.017)	-0.000 (0.018)	-0.032 (0.085)	0.038 (0.024)	-0.010 (0.018)	-0.051 (0.070)	-0.007 (0.016)
ROA	0.025 (0.034)	-0.001 (0.082)	0.051 (0.057)	-0.039 (0.111)	-0.299 (0.391)	0.053 (0.067)	0.063 (0.077)	-0.093 (0.235)	0.077 (0.049)
Q	0.005 (0.005)	0.015 (0.014)	-0.001 (0.011)	-0.006 (0.011)	-0.027 (0.039)	0.015* (0.008)	-0.010 (0.009)	-0.030 (0.030)	-0.008 (0.007)
Firm Debt/Assets	-0.037 (0.041)	-0.174 (0.144)	0.110 (0.080)	0.019 (0.083)	0.343 (0.347)	0.142* (0.080)	-0.176 (0.142)	-0.415 (0.314)	-0.092 (0.072)
Observations	7,872	7,872	7,872	5,616	5,616	5,616	9,014	9,014	9,014
Firm-Charity-Cohort FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year-Cohort FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Adj R <sup>2</sup>	0.665	0.489	0.495	0.708	0.565	0.523	0.698	0.561	0.566

**Table A.7. Industry Competition (Assets HHI) and CCL**

This table presents results from firm-charity-year level OLS regressions estimated on subsamples sorted on lagged industry competition of firms, following the regression equation:

$$Y_{i,j,t} = \beta \cdot \text{Connected}_{i,j,t-1} + \lambda \cdot \text{Controls}_{i,j,t-1} + \alpha_{i,j} + \alpha_t + \epsilon_{i,j,t}$$

$\text{Connected}_{i,j,t-1}$  is a dummy variable equal to one if firm  $i$  and charity  $j$  shared a director on their boards in year  $t - 1$  and zero otherwise. The outcome variable is  $CCLVS$  or  $CCL\ Industry$ , divided by lagged charity assets. Columns 1 to 4 (5 to 8) show results for the high (low)-competition subsample with respect to the sample median. Industry competition is measured for each firm in year  $t - 1$  based on the Herfindahl-Hirschman Index (HHI) of the assets of firms in the same Fama-French 30 industry, excluding the focal firm itself. In all specifications, we control for the logarithm of charity assets and several firm characteristics including the log of total assets, ROA, Tobin's Q, and total debt as a fraction of assets, all measured at  $t - 1$ . In even-numbered columns, we additionally control for  $CCL\ Industry$  ( $CCLVS$ ) when the outcome variable is  $CCLVS$  ( $CCL\ Industry$ ). Firm-by-charity and year fixed effects are included as well. Standard errors are clustered at the firm-by-charity level (\*\*\*)  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ ).

	Dependent Variable (Scaled by Charity Assets):							
	CCLVS		CCL Industry		CCLVS		CCL Industry	
	High Competition Industries				Low Competition Industries			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Connected	0.029** (0.012)	0.020* (0.012)	0.012** (0.006)	0.008 (0.006)	0.002 (0.014)	0.001 (0.014)	0.001 (0.006)	0.000 (0.006)
CCL Industry		0.703*** (0.073)				0.977*** (0.121)		
CCLVS				0.149*** (0.014)				0.089*** (0.010)
log(Charity Assets)	-0.093*** (0.023)	-0.025 (0.021)	-0.096*** (0.017)	-0.082*** (0.017)	-0.143*** (0.040)	-0.081** (0.032)	-0.064*** (0.016)	-0.051*** (0.014)
log(Firm Assets)	0.066*** (0.014)	0.047*** (0.010)	0.028*** (0.008)	0.018*** (0.006)	0.029 (0.019)	0.003 (0.018)	0.027*** (0.008)	0.024*** (0.007)
ROA	0.102* (0.055)	0.054 (0.041)	0.068* (0.036)	0.053* (0.030)	0.050 (0.076)	0.057 (0.067)	-0.007 (0.024)	-0.012 (0.021)
Q	0.012* (0.007)	0.008 (0.005)	0.006 (0.004)	0.004 (0.004)	-0.003 (0.009)	-0.012 (0.008)	0.009*** (0.003)	0.009*** (0.003)
Firm Debt/Assets	-0.049 (0.055)	-0.015 (0.045)	-0.048 (0.031)	-0.041 (0.027)	-0.116 (0.080)	-0.115 (0.076)	-0.000 (0.022)	0.010 (0.021)
Observations	28,045	28,045	28,045	28,045	27,890	27,890	27,890	27,890
Firm-Charity FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Adj R <sup>2</sup>	0.606	0.647	0.715	0.745	0.568	0.605	0.701	0.727

**Table A.8. Governmental Procurement Contracts to Firms: ESG Subsamples**

This table presents subsample results from firm-agency-year level OLS regressions of the signed pseudo-logarithm of the difference between government procurement contracts received by firm  $i$  from agency  $k$  over the next three years and the previous three years (i.e.,  $\widehat{\log}(\frac{\Delta}{-3,+3} Proc)_{i,k,t}$ , following the algorithm of Goldman, Rocholl, and So, 2013), on  $\log(CLA)_{i,k,t-1}$  denoting the lagged value of the logarithm of the total amount spent by all charities that share board connections with firm  $i$  on lobbying agency  $k$ .

$$\widehat{\log}(\frac{\Delta}{-3,+3} Proc)_{i,k,t} = \beta \cdot \log(CLA)_{i,k,t-1} + \lambda \cdot Controls_{i,k,t-1} + \alpha_i + \alpha_k + \alpha_t + \epsilon_{i,k,t}$$

Firm-agency-year or firm-year level control variables include the amount firm  $i$  itself spends lobbying agency  $k$  (i.e., FLA), firm  $i$ 's corporate PAC donations during the previous election cycle (i.e., PAC), log of total assets, ROA, Tobin's Q, and total debt as a fraction of assets, all measured at  $t - 1$ . Combinations of firm, agency, and year fixed effects are included as well. The table reports results for subsamples sorted on firms' lagged Refinitiv ESG scores with respect to the sample median. Standard errors are clustered at the firm-agency level (\*\*\*)  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

	Dependent Variable: $\widehat{\log}(\frac{\Delta}{-3,+3} Proc)$					
	High ESG Score Firms			Low ESG Score Firms		
	(1)	(2)	(3)	(4)	(5)	(6)
log(CLA)	-0.023 (0.037)	-0.024 (0.038)	-0.020 (0.044)	0.089** (0.037)	0.102*** (0.038)	0.081* (0.046)
log(FLA)	0.229*** (0.044)	0.223*** (0.046)	0.232*** (0.049)	0.045 (0.069)	0.054 (0.072)	0.068 (0.082)
log(PAC)	-0.437 (0.389)	-0.254 (0.393)		0.407 (0.294)	0.383 (0.288)	
log(Firm Assets)	-0.157 (1.207)	0.084 (1.231)		-0.581 (1.208)	-0.688 (1.213)	
ROA	4.118 (5.638)	4.060 (5.750)		-12.961** (5.671)	-12.821** (5.793)	
Q	-0.397 (0.703)	-0.371 (0.684)		-0.304 (0.559)	-0.345 (0.570)	
Firm Debt/Assets	-4.700 (4.376)	-3.905 (4.370)		7.904* (4.113)	8.122* (4.186)	
Observations	5,512	5,490	5,279	5,033	4,986	4,689
Year FE	Yes	No	No	Yes	No	No
Firm FE	Yes	Yes	No	Yes	Yes	No
Agency FE	Yes	No	Yes	Yes	No	Yes
Agency-by-Year FE	No	Yes	No	No	Yes	No
Firm-by-Year FE	No	No	Yes	No	No	Yes
Adj R <sup>2</sup>	0.0868	0.0938	0.0930	0.103	0.105	0.0997

**Table A.9. Corporate ESG Profiles and Firm-Charity Board Connections**

This table presents results from firm-charity-year level OLS regressions, following the regression equation:

$$Connected_{i,j,t} = \beta \cdot ESG\ Score_{i,t-1} + \lambda \cdot Controls_{i,j,t-1} + \alpha_{i,j} + \alpha_t + \epsilon_{i,j,t}$$

$Connected_{i,j,t}$  is a dummy variable equal to one if firm  $i$  and charity  $j$  share a director on their boards in year  $t$  and zero otherwise.  $ESG\ Score_{i,t-1}$  is firm  $i$ 's Refinitiv ESG score measured at year  $t-1$ . Alternatively, in Columns 2 to 5,  $ESG\ Score_{i,t-1}$  is replaced with  $ES\ Score_{i,t-1}$ ,  $E\ Score_{i,t-1}$ , or  $S\ Score_{i,t-1}$ , all according to Refinitiv, or Scope 1 emission intensity  $y_{i,t-1}$  according to S&P TruCost. We control for the logarithm of charity assets and several firm characteristics including the log of total assets, ROA, Tobin's Q, and total debt as a fraction of assets, all measured at  $t-1$ . Firm-by-charity and year fixed effects are included as well. Standard errors are clustered at the firm-by-charity level (\*\*\*)  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ ).

	Dependent Variable: Connected				
	(1)	(2)	(3)	(4)	(5)
ESG Score	0.000 (0.001)				
ES Score		0.000 (0.000)			
E Score			0.000 (0.000)		
S Score				0.000 (0.000)	
Scope 1 Emission Intensity					0.000 (0.000)
log(Charity Assets)	0.040** (0.020)	0.038* (0.020)	0.038* (0.020)	0.038* (0.020)	0.046*** (0.015)
log(Firm Assets)	0.069*** (0.018)	0.071*** (0.019)	0.071*** (0.019)	0.071*** (0.019)	0.060*** (0.013)
ROA	0.035 (0.069)	0.030 (0.069)	0.031 (0.069)	0.031 (0.069)	0.148** (0.060)
Q	0.021** (0.009)	0.021** (0.009)	0.021** (0.009)	0.021** (0.009)	0.009 (0.007)
Firm Debt/Assets	0.011 (0.067)	0.006 (0.068)	0.008 (0.068)	0.005 (0.068)	0.028 (0.054)
Observations	25,766	25,739	25,739	25,737	33,808
Firm-Charity FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
Adj R <sup>2</sup>	0.399	0.400	0.400	0.400	0.333

**Table A.10. Board Connections and Connected *Firm* Lobbying**

This table presents results from firm-charity-year level OLS regressions of  $CFL\ Scaled_{i,j,t}$  on  $Connected_{i,j,t-1}$ , following the regression equation:

$$CFL\ Scaled_{i,j,t} = \beta \cdot Connected_{i,j,t-1} + \lambda \cdot Controls_{i,j,t-1} + \alpha_{i,j} + \alpha_t + \epsilon_{i,j,t}$$

$CFL_{i,j,t}$  is the weighted average of firm  $i$ 's dollar lobbying across all topics where both firm  $i$  and charity  $j$  lobby, where the weights are the lobbying expenditures of charity  $j$  in each topic.  $CFL\ Scaled_{i,j,t}$  is  $CFL_{i,j,t}$  divided by lagged firm assets. Alternatively, we use  $CFLVS\ Scaled_{i,j,t}$ , which excludes commonly lobbied topics such as budget, tax, and immigration.  $Connected_{i,j,t-1}$  is a dummy variable equal to one if firm  $i$  and charity  $j$  shared a director on their boards in year  $t-1$  and zero otherwise. We control for the logarithm of charity assets and several firm characteristics including the log of total assets, ROA, Tobin's Q, and total debt as a fraction of assets, all measured at  $t-1$ . Year fixed effects are included in all specifications. Firm and charity, or firm-by-charity, fixed effects are included as well. Standard errors are clustered at the firm-by-charity level (\*\*\*)  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ ).

	Dependent Variable:			
	CFL Scaled	CFL Scaled	CFLVS Scaled	CFLVS Scaled
	(1)	(2)	(3)	(4)
Connected	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
log(Charity Assets)	0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)
log(Firm Assets)	-0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
ROA	0.001*** (0.000)	0.001*** (0.000)	0.003*** (0.001)	0.003*** (0.001)
Q	0.000** (0.000)	0.000** (0.000)	0.000*** (0.000)	0.000*** (0.000)
Firm Debt/Assets	-0.000* (0.000)	-0.000* (0.000)	-0.001 (0.001)	-0.001 (0.001)
Observations	56,590	56,559	56,590	56,559
Firm FE	Yes	No	Yes	No
Charity FE	Yes	No	Yes	No
Firm-Charity FE	No	Yes	No	Yes
Year FE	Yes	Yes	Yes	Yes
Adj R <sup>2</sup>	0.360	0.435	0.306	0.397