

**Political Donations:
CIBC/Chamber Weekly CEO/Business Leader Poll
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**COMPAS Inc.
Public Opinion and Customer Research**

Overview

CEOs and other business leaders believe that political donations are not a particularly good business investment and entail some PR risk but nonetheless make such donations to support the political process and free enterprise, according to the most recent COMPAS/National Post web-survey sponsored by the Canadian Chamber of Commerce and CIBC.

About half of the respondents in the weekly poll make donations personally and nearly half work for or own companies that make company donations. The motivations for corporate and personal donations are slightly different. Ideological considerations (e.g. free enterprise), personal relationships, and stopping undesirable politicians are more important considerations for personal than corporate donations. Meanwhile earning goodwill and contributing to public affairs strategies matter more for corporate donations than for the donations made personally by corporate executives.

The responses to this web-survey reveal that 45% of respondents' organizations make donations as a practice. In practice, this is an under-estimate of the actual giving behaviour of companies because about one-fourth of respondents in the web-survey are executives of local and national Chambers of Commerce, which have a policy of no political donations. The proportion of respondents who make personal donations to parties or politicians is higher—50%.

What Drives Political Donations

The Considerations That Motivate Corporate Political Donations

For the vast majority of respondent companies that make political donations, giving to parties or politicians is an ideological rather than business investment, as shown in table 1. In practice, 70% say that the donation is motivated by the desire to support competent politicians. Slightly smaller majorities attribute their company's donations to a desire to support the democratic process, back ethical politicians, and support free enterprise.

The motivation of making donations to assist a public affairs or networking strategy falls in distant fifth place with 47% scoring 5-7 on the 7-point scale. This fifth place consideration is the strongest evidence of a narrowly business consideration underlying political donations. According to the respondents, it would appear that narrow business considerations are not paramount.

The reason for such a low priority on narrow business considerations appears to be the absence of perceived benefit. As shown in table 2, few respondents perceive much of a corporate benefit. At the extremes, only 12% score 6-7 on the 7-point perceived benefit scale while 26% score 1-2 at the bottom of the scale. Respondents do not see



much risk of negative public relations or media backlash from making political donations. But, the perceived risk is actually greater than the perceived benefit, as shown in table 3. In practice, 22% see a serious risk, scoring risk 6-7 on the 7-point risk scale as compared to 12% scoring 6-7 on the benefit scale.

Table 1: “On a 7-point scale where 7 means it’s an important consideration and 1, the opposite, please indicate the importance of each of the following considerations in your organization’s donation decisions [ROTATE]”

	Mean	7	6	5	4	3	2	1	DNK
Support competent politicians	5.2	29	25	16	12	4	3	8	2
Support the democratic process	5.0	29	23	10	14	7	5	9	2
Support politicians with high ethical standards	5.0	28	20	11	15	7	4	9	5
Support politicians who believe in free enterprise	5.0	26	20	21	11	7	3	9	2
Assist your organization’s public affairs and networking strategies	4.3	15	20	12	17	10	13	10	2
Help stop undesirable politicians from getting elected	3.7	19	11	9	11	8	12	27	2
Earn goodwill	3.7	5	12	24	12	12	16	16	2
Support politicians or parties that have personal relationships with senior executives or directors of the organization	3.0	5	4	16	18	5	15	32	4
Avoid upsetting politicians by withholding donations	2.0	1	1	6	10	9	15	53	5

Table 2: “How much benefit do corporations generally receive as a result of making political donations with respect to their ability to influence laws, rules, or procurement decisions? Please use a 7-point scale where 7 means much benefit and 1, the opposite?”

	Mean	7	6	5	4	3	2	1	DNK
Level of benefit corporations receive	3.6	4	8	17	17	13	14	12	15



Table 3: “How much risk do corporations run as a result of making political donations with respect to public or media backlash about unfair or improper political influence? Please use a 7-point scale where 7 means much risk and 1, the opposite?”

	Mean	7	6	5	4	3	2	1	DNK
Level of risk	4.1	5	17	18	20	17	9	8	7

The Considerations That Motivate the Political Donations of Corporate Executives

The considerations that motivate the personal political donations of corporate executives resemble the motivations that drive the donation decisions of their companies, as shown in table 4. As in the case of corporation donations, supporting competent politicians tops the list of motivations for personal donations.

Table 4: “On a 7-point scale where 7 means it’s an important consideration and 1, the opposite, please indicate is the importance of each of the following considerations in your or your family member’s donations”. [ROTATE]

	Mean	7	6	5	4	3	2	1	DNK
Support competent politicians	5.9	41	32	13	6	0	1	4	3
Support politicians with high ethical standards	5.8	38	27	16	9	3	1	3	5
Support politicians who believe in free enterprise	5.6	41	22	13	10	5	1	6	3
Support the democratic process	5.1	30	20	17	11	4	5	10	3
Help stop undesirable politicians from getting elected	5.0	32	15	16	11	8	5	10	4
Support politicians or parties with which you have a personal relationship	3.9	8	21	14	14	12	5	24	3
Help your organization or network and meet people	2.9	4	11	11	8	14	14	35	4
Earn goodwill	2.4	1	3	10	10	15	19	39	4
Avoid upsetting politicians by withholding donations	1.6	2	0	2	4	6	14	70	4



Some differences between organizational and personal motivations nonetheless emerge, as shown in table 5. Ideological considerations (e.g. free enterprise), personal relationships, and stopping undesirable politicians are more important considerations for personal than corporate donations (e.g. the mean or average score for supporting politicians who believe in free enterprise is 5.0 for company donations and 5.6 for personal donations). Meanwhile earning goodwill and contributing to public affairs strategies matter more for corporate donations than for the donations made by corporate executives (e.g. the mean or average for goodwill is 3.7 for corporate donations and 2.4 for personal ones).

Table 5: Comparison of Organizational and Personal Donations (Means on 7-Point Scales)

	Organization	Personal
Support competent politicians	5.2	5.9
Support the democratic process	5.0	5.1
Support politicians who believe in free enterprise	5.0	5.6
Support politicians with high ethical standards	5.0	5.8
Assist your organization's public affairs and networking strategies/Help your organization or network and meet people	4.3	2.9
Earn goodwill	3.7	2.4
Help stop undesirable politicians from getting elected	3.7	5.0
Support politicians or parties [that have personal relationships with senior executives or directors of the organization/with which you have a personal relationship]	3.0	3.9
Avoid upsetting politicians by withholding donations	2.0	1.6

Who Most Embodies the Beliefs of Business

In order to elicit a personal aspect to respondents' views about the political process, COMPAS interviewers asked respondents to identify the public figure who most embodies their beliefs. Paul Martin tops the list, followed closely by Ralph Klein and Mike Harris with Campbell, Charest, Clark, Chretien, Rock, Day, and Harper trailing, as shown in table 6.



Table 6: "Which of the following public figures best represents your own beliefs about government and the political process: [ROTATE] Jean Chretien, Paul Martin, Alan Rock, Stockwell Day, Stephen Harper, Joe Clark, Jean Charest, Mike Harris, Ralph Klein, Gordon Campbell"

	%
Paul Martin	27
Ralph Klein	21
Mike Harris	16
Gordon Campbell	5
Jean Charest	5
Joe Clark	5
Jean Chretien	3
Alan Rock	3
Stockwell Day	3
Stephen Harper	2
DNK	12

Methodology

The *National Post*/COMPAS web-survey of CEOs and leaders of small, medium, and large corporations and among executives of the local and national Chambers of Commerce was conducted March 5-7, 2002.

Because medium and small companies are more numerous in the economy and hence among Chamber membership, actual respondents are drawn more from these strata than from the stratum of the largest companies.

Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than comparably sized general public studies. In studies of the general public, surveys of n=218 are deemed accurate to within 6.6 percentage points 19 times out of 20. The principal and co-investigators on this study are Conrad Winn Ph.D. and Robert Laufer.

