

NationSwell Trend Report

June 2022



The state of play: **Corporate civic engagement** in 2022

Table of contents

Definitions.....	4
Trends and pulse checks.....	6
Policy and regulatory movement.....	22
Practitioner spotlight.....	24
Further reading.....	27



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2020 sparked increased corporate civic engagement, with companies taking a more vocal stance on a larger portfolio of political and social issues than seen before. Today, those same companies are grappling with the reality of serving a broad spectrum of employees, consumers, and other stakeholders in a politically fraught environment. The current moment – and those on the horizon – will tell us a lot about the social role of the corporation moving forward.

LIESL SCHNABEL

Senior Research Analyst, Insights
NationSwell

NICK CERICOLA

Vice President, Insights
NationSwell

Definitions

Clarifying our terms

Clarifying our terms



CORPORATE CIVIC ENGAGEMENT

Corporate civic engagement describes how companies plan for, respond to, and participate in political, social, and cultural activities that are important to their employees, customers, communities, and other stakeholders.

Unlike traditional government relations and public affairs efforts, which often relate narrowly to core business interests, corporate civic engagement often denotes a clear, public stance on broader social issues and values.

Trends and pulse checks

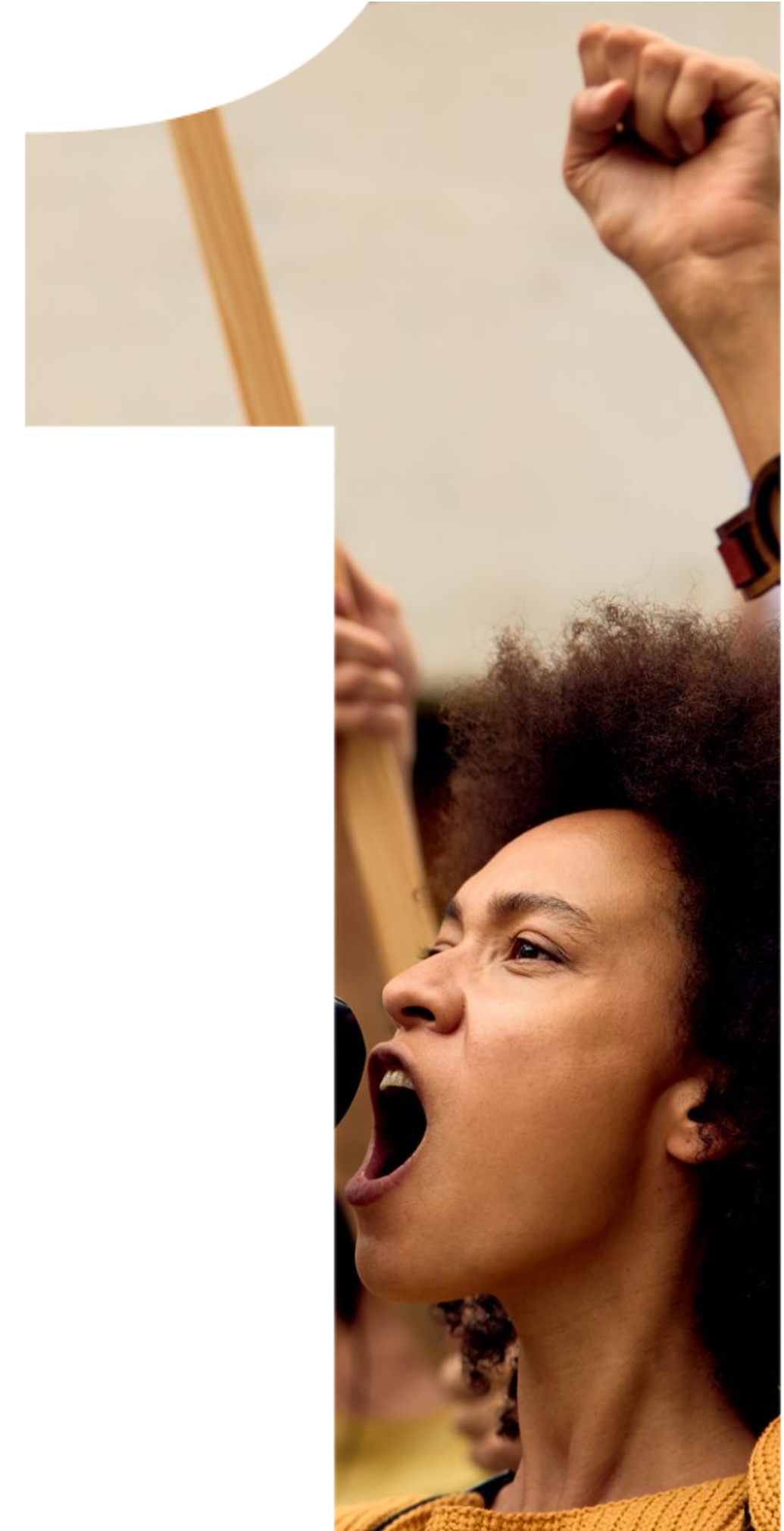
Understanding where the market is heading
and diagnosing your preparedness



TREND ONE

Since 2020, more customers than ever want companies to take a stance on social and political issues

But they may not be aligned on what that stance should be



Consumers expect action, just not always on the same issues

Post-2020, customers overwhelmingly support civic engagement...

- In 2021, 86% of global consumers expected “brands to take one or more actions beyond their product and business” ([Edelman](#))
- In 2021, 74% of Americans felt that “companies have a responsibility and an opportunity to be leaders and changemakers in the midst of partisan gridlock” ([Global Strategy Group](#))
- In 2021, 80% of global consumers felt that CEOs “should support voting rights legislation as a way to fight systemic racism,” and 59% thought that CEOs should speak out opposing discriminatory or unethical state legislation ([Edelman](#))
- Companies are seeing big shifts in consumer reputational rankings when they respond to political events in ways deemed unsatisfactory – including being too slow and/or too calculated ([Axios](#))

And they are exercising more agency in spurring civic engagement...

- Consumer activism, such as boycotting brands, “is the most common form of political action in the United States aside from voting” ([NIH](#))
- In 2021, 78% of global consumers reporting feeling that they hold the power to make companies change their societal impact ([Edelman](#))
- In 2022, 58% of global consumers reported buying from or advocating for brands aligned with their values and beliefs, and 64% reported investing in companies for these reasons ([Edelman](#))

But they don't always agree on which issues matter and which direction to push

- In 2021, while 90% of Democrats felt that companies must take action in addition to making public statements, only 69% of Republicans agreed ([Global Strategy Group](#))
- In 2019, the issues that Republicans and Democrats thought companies should take a position on varied greatly – for example, 80% of Democrats support engagement on LGBTQ+ equality compared to 47% of Republicans ([Global Strategy Group](#))
- In 2019, Republicans and Democrats were equally likely to boycott companies (35% of Republicans; 38% of Democrats), though their portfolios are vastly different ([Global Strategy Group](#))

“It was in the wake of the murder of George Floyd that we felt the strain of not having a principles-driven approach to guide us to act consistently and with substance on social issues and global events...Simply making a statement with no ability or intent to invest in meaningful action doesn’t fly anymore, and puts our brands at risk.” Melissa Selcher, Chief Marketing and Communications Officer, LinkedIn ([LinkedIn](#))

How we’re doing: Consumer alignment

	YES	NO, BUT WE HAVE A PLAN	NO
We have robust, regular, and data-driven feedback loops to understand and anticipate our customers’ expectations of our company on an array of social and political issues			
We have a framework for calculating the potential risk to our brand when considering how and when to take a public stance on issues that may be polarizing to customers			
We have a marketing and communications playbook for engaging with socially or politically-motivated consumer boycotts			
To avoid performative gestures, we prioritize action by mobilizing people and assets across our company to execute impactful strategies			

TREND TWO

Employees are increasingly willing to leave companies and mobilize their collective strength to force change

And they're not letting CEOs get away with non-public action



Employees are calling companies to account and into the fray

Employees are pushing companies to take a stand

- A lack of forethought about employee expectations can lead to negative public attention. Major corporations have failed to respond to employee petitions until walkouts and strikes have been enacted, leading to media attention and consumer boycotting ([Wired](#)) ([CBS](#)) ([The Guardian](#))
- In mid-2021, one in five employees left or were planning to leave their jobs, and of these employees, 59% were driven by “finding a better values fit” ([Edelman](#))
- Since the onset of the COVID-19 pandemic, employee-led activism has risen by 40%, and 80% of employers anticipate that it will escalate within their companies by 2024 ([SHRM](#)) ([Forbes](#))
- In 2021, 76% of employees reported that they would take action to “produce or motivate urgently necessary changes within my organization” ([Edelman](#))

And they're expecting public action

- In 2022, when deciding on a job, 60% of employees expected “the CEO to speak publicly about controversial social and political issues that I care about” ([Edelman](#))
- In 2019, 87% of employees reported that companies “should take a public position on societal issues relevant to their business” and 74% felt that they “should take a position on issues even when they aren’t directly relevant to their business” ([Gartner](#))
- In March 2022, Disney employees staged a walkout after calling on the company to take public action against Florida’s “Don’t Say Gay” bill. The company’s CEO stated that they had planned to take non-public action, noting, “We were opposed to the bill from the outset, but we chose not to take a public position on it because we thought we could be more effective working behind the scenes, engaging directly with lawmakers on both sides of the aisle” ([CNBC](#)) ([USA Today](#))

“Speaking to you, reading your messages, and meeting with you have helped me better understand how painful our silence was,” Chapek told Disney staff in an email obtained by Rolling Stone Friday, March 11. “It is clear that this is not just an issue about a bill in Florida, but instead yet another challenge to basic human rights. You needed me to be a stronger ally in the fight for equal rights and I let you down. I am sorry.” ([Rolling Stone](#))

How we’re doing: Employee alignment

	YES	NO, BUT WE HAVE A PLAN	NO
We have robust, regular, and data-driven feedback loops to understand and anticipate our employees’ expectations of our company on an array of social and political issues			
We have a policy or playbook on employee activism that embraces openness and tolerance while clearly outlining the who, what, and where of how we act on civic engagement issues			
We have a framework for calculating the potential risk to employee engagement when considering how and when to take a public stance on issues that may be polarizing			

TREND THREE

Politicians and companies are confronting one another in uncharted territory

The risk calculus for corporate leaders is getting scrambled as a result



Politicians are raising the costs of corporate activism

Political leaders are threatening and sometimes taking retaliatory actions that undermine the business case for civic engagement

- In 2021, multiple Georgia-based companies, including Coca-Cola and Delta, spoke out against the state's restrictive voting laws. In response:
 - Senate Minority Leader Mitch McConnell warned companies to “stay out of politics” ([Vox](#))
 - The Georgia House of Representatives voted to remove Delta's jet fuel tax break equal to tens of millions of dollars ([Forbes](#))
- In April 2022, Disney publicly denounced Florida Governor Ron DeSantis' “Don't Say Gay” bill. In direct response, DeSantis instructed Florida legislators to revoke Disney's special tax status. The bill was signed on April 22 ([VOA](#))
- In May 2022, the Texas House issued direct legal and political threats to Lyft in a letter signed by 14 Representatives, including introducing “legislation that imposes felony criminal liability on any director or officer of a publicly traded corporation that uses corporate resources to pay for elective abortions or reimburse abortion-related expenses, without first obtaining the unanimous consent of the shareholders” ([Texas Tribune](#))
 - The letter responded to a Tweet from the company that committed to supporting employees in travelling out of state to receive abortions

On Texas S.B. 19, which prohibits state agencies from contracting with companies that discriminate against the firearm or ammunition industries, Stephen Gandel of the New York Times writes:

“As large companies grapple with how to respond to national tragedies and looming social issues, including the debate over gun control or abortion, laws like S.B. 19 make it harder to take a stance. The result is a corporate tug of war playing out across the country, as companies try to appease large, vocal employee bases and advocacy groups without alienating customers and advocates on the other side of the political spectrum — all while trying not to run afoul of local regulations that could hurt their bottom line.” ([New York Times](#))

Some state leaders are making the case for business relocation

In June 2022, the Governor of New Jersey sent a letter to 60+ companies — primarily based in Texas, Georgia, Ohio, Missouri and Florida — encouraging them to bring business to New Jersey in order to protect the reproductive rights of their employees ([NPR](#))

How we’re doing: Political risks

	YES	NO, BUT WE HAVE A PLAN	NO
We consult with our peers to construct strategies for civic engagement during politically fraught moments			
We track legislative activity in relevant jurisdictions that could pose potential challenges to our organizational values and social impact strategy			
We have a framework for making decisions that must balance the risks of political backlash against acting in line with our corporate values and stakeholder interests			
We have open, routine, and effective communications between our social impact team and government affairs team to ensure alignment between our ESG and lobbying strategies			

TREND FOUR

Media and third party watchdogs are bringing more transparency to the gap between commitments and actions

They're revealing that companies still have a ways to go



New efforts are spotlighting the gap between words and deeds

Journalists and outside groups are bringing new transparency to the conversation about corporate action

- Corporate restrictions on published information limits the public's ability to assess follow-through on social justice commitments
 - For instance, some companies are resisting reporting DEIB metrics, despite shareholder proposals. In 2021, Berkshire Hathaway rejected a shareholder proposal requiring the board to publish information on diversity and inclusion efforts ([CBS](#))
- In 2021, to combat a lack of transparency, the founder and CEO of [Creative Investment Research](#) developed a financial tracker for corporate racial equity commitments; additionally, he petitioned the Securities and Exchange Commission (SEC) to require donation disclosures from publicly traded companies ([MarketWatch](#))
- In 2021, JUST Capital designed racial equity and COVID-19 tracking tools for corporations, which allows the public to track commitments from the 100 largest U.S. companies ([JUST Capital](#), [JUST Capital](#))
- Media are keen to identify and publish the names of companies making public commitments that are at odds with their political contributions on issues like abortion bans, LGBTQ+ rights, gun safety, and the January 6 insurrection ([Business Insider](#), [RollingStone](#))

What they're uncovering is that, in aggregate, companies still have a ways to go

- As of August 2021, only \$1.7B of the \$49.5B in corporate contributions to racial equity had been distributed, signalling a weakness in timely execution of commitments ([Washington Post](#))
- In 2020, 461 companies committed to spending \$8.8B on racial equity via corporate giving programs or company-run foundations, but 92% went to "unknown" or "multiple" recipients, meaning the company did not say who received the funding and/or the company did not disclose the amount each group received ([MarketWatch](#))
- Only 23% of the largest 100 U.S. employers disclose diversity targets for hiring, workforce composition, promotion, or retention by race/ethnicity ([JUST Capital](#))
- Many of the companies that committed funding to racial equity in 2020 have been slow to hire diverse professionals; a recent survey found that only 22% of CSR professionals "said that "most" or "all" of their team members came from the communities served by their company's social-impact programs," and only 16% "said they felt "very prepared" to identify organizations that focus on addressing systemic inequities" ([Chronicle of Philanthropy](#))

How we’re doing: Transparency and accountability

	YES	NO, BUT WE HAVE A PLAN	NO
We have strong social factor KPIs in place and an organizational commitment to tracking our performance on key issues and quantified commitments or goals			
We hardwire accountability mechanisms – like third party audits and board oversight – when we make public commitments to civic action			
We have a framework and standard process to evaluate, engage, and respond authentically and intentionally to any shortcomings they expose			

TREND FIVE

Partnerships and playbooks are gaining momentum to address political, consumer, and employee challenges

Though there remains no one-size-fits-all strategy



Moving from information to shared action

For some social justice issues, new alliances are emerging that provide strength – and shelter – in numbers

- Companies are locking arms and joining coalitions that promote civic engagement on select issues, including:
 - The Civic Alliance, a nonpartisan group of over 1,250 companies that support the democratic process. The Civic Alliance released joint statements for a peaceful democratic transition in January 2021 and for protecting voting rights in April 2021 ([Civic Alliance](#))
 - Everytown, a coalition of private sector organizations who support action against gun violence. In 2019, hundreds of CEOs signed a letter to the U.S. Senate entitled “CEOs for Gun Safety” ([Everytown](#))
 - A statement entitled “Don’t Ban Equality” was developed in 2019 and has since been signed by 330+ business leaders in response to state-level abortion bans ([Don’t Ban Equality](#))

Experts and organizations are publishing new best practice guidance for companies to adopt

- The Civic Alliance released a [Corporate Civic Playbook](#) in 2021 that outlines successful strategies for strengthening voter turnout
- After the killing of George Floyd, experts provided recommendations for building strong corporate racial equity strategies. Companies can access resources from the [Harvard Business Review](#) and [Brookings](#), among others

And companies are developing internal playbooks for civic engagement: “We’ve codified our vision, culture and values into a set of principles and playbooks that help us answer when, who, what and where to act. And we apply these principles consistently enabling us to act rationally and not subjectively when emotions are very high, focusing where we can have the greatest impact.” Melissa Selcher, Chief Marketing and Communications Officer, LinkedIn ([LinkedIn](#))

How we’re doing: Alliances and resources

	YES	NO, BUT WE HAVE A PLAN	NO
We have a framework to evaluate coalitions and alliances on social and political issues that are important to our company, brand, and stakeholders			
We seek, consume, and value the practical guidance available from other organizations, researchers, and advocates			
We share our ideas and experiences transparently and generously with other organizations, researchers, and advocates as they search for new approaches and solutions			

Policy and regulatory movement

The rules that matter



The U.S. Supreme Court issues draft ruling overturning *Roe v. Wade*

Abortion rights are in jeopardy

- On May 2, 2022, Politico released a leaked draft opinion from the U.S. Supreme Court on *Dobbs v. Jackson*, a ruling that would overturn *Roe v. Wade*. While this ruling was expected in June 2022, it has escalated the urgency of a united response from the corporate sector ([Politico](#))
- The draft ruling is subject to change, and the final version will be released in summer 2022 ([NPR](#))
- If *Roe v. Wade* is overturned, abortion will become immediately illegal in 13 U.S. states that have established “trigger laws.” For corporations *and* employees, state-level abortion bans hold legal and financial ramifications ([Business Insider](#))
- When the SCOTUS draft ruling on abortion was leaked, companies faced immediate pressure to establish concrete safety nets for their employees while speaking out on the public stage ([NYT](#))
- Shareholders are pressuring companies to take action, including by issuing proposals on “political spending” and “political misalignment” ([Roll Call](#))

Corporate response and forward-thinking is trending low

- Companies like Levi’s, Amazon, Tesla, and Citigroup have committed to expanding employee health benefits to include funding for out-of-state travel for abortion care ([NPR](#)), but unintended consequences may result from this strategy:
 - Lawmakers in abortion-ban states will take action to legally block travelling for care ([Inc](#))
 - Since abortion benefits will be integrated into health insurance plans, employees may have to pay a deductible higher than the average cost of an abortion ([KFF](#))
- Only one (Amazon) of the top 25 corporations that will be most affected by the overturning of *Roe v. Wade* has spoken out against the draft ruling – others have remained silent ([Business Insider](#))
- Companies may be waiting for the final ruling to be made in June, 2022. In a conversation at the World Economic Forum, YouTube’s CEO noted that “We haven’t spoken internally at a high level but we’re waiting to see what the final draft is and take the necessary steps to comply” ([Fortune](#))

1 of 25

The number of companies projected to be most affected by the overturning of *Roe v. Wade* that have made a public commitment to supporting employee travel for abortion ([Business Insider](#))

Practitioner spotlight

One organization helping to set the pace

CASE STUDY



Levi Strauss & Co.

Levi Strauss & Co.

PRIORITIZING STAKEHOLDERS

In order for employees to support **social causes aligned with their values**, each Levi's employee is given \$2,000 per year in matching funds and/or volunteer time ([Levi Strauss & Co.](#))

Through its foundation, Levi's aims to **empower grassroots social justice leaders** through a training program entitled Pioneers in Justice. In 2021, the cohort targeted "female-identified Black, Indigenous and People of Color (BIPOC) leaders, including trans and non-binary individuals" ([Levi Strauss & Co.](#))

"You know, one of the most important stakeholder groups I've got is my employee base. And this is a really hot topic right now. Number one. And number two...I straight up acknowledge we are not where we need to be in having a diverse, inclusive culture. And I've got a lot of work to do there." Chip Bergh, President & CEO, Levi Strauss & Co. ([Fortune](#))

TIMELY COMMITMENTS

On May 4, 2022, two days after the draft SCOTUS ruling was made public, Levi's committed to **funding full and part-time employee travel for abortion**. Additionally, the company made a public statement condemning the SCOTUS ruling and advocating for other leaders to follow suite: "Given what is at stake, business leaders need to make their voices heard and act to protect the health and well-being of our employees. That means protecting reproductive rights" ([Reuters](#))

Chip Bergh, President and CEO of Levi Strauss & Co., has published multiple op-eds speaking out during pivotal moments – from **encouraging other CEOs to act on gun violence to underscoring the incredible importance of voter turnout** ([Fortune](#), [Fortune](#))

EFFORTS TOWARD TRANSPARENCY

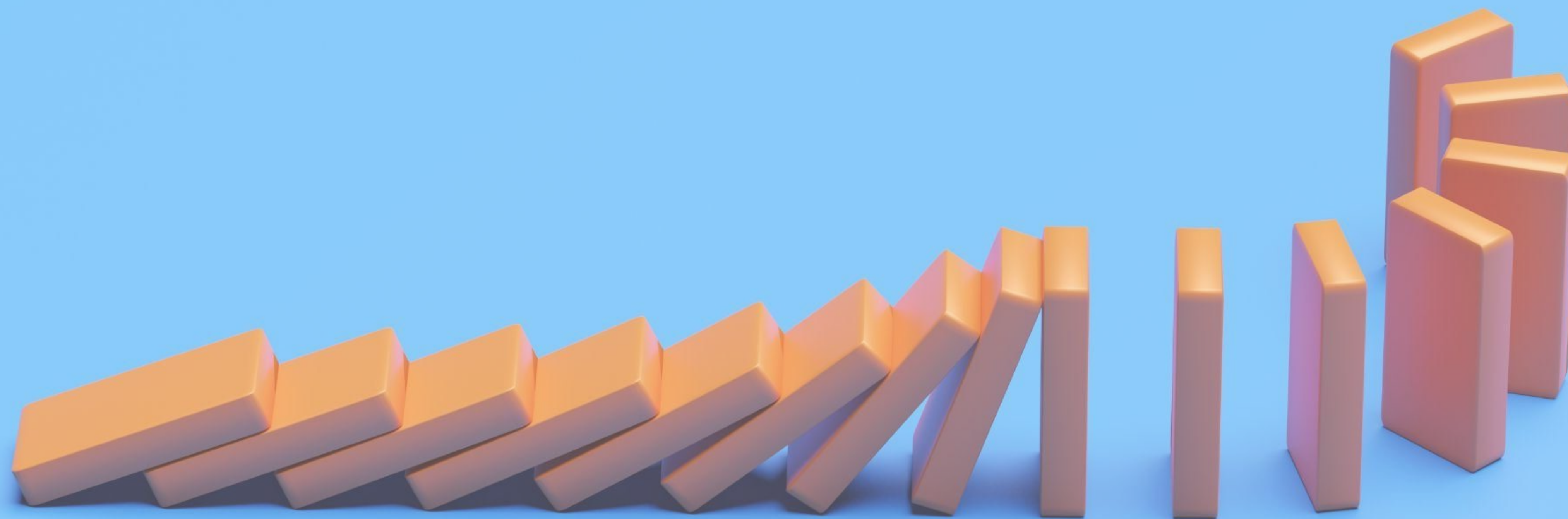
In 2020, Levi's committed **\$2.8M to organizations fostering U.S. voting efforts**. The company led with transparency by publicly listing each organization on their website ([Levi Strauss & Co.](#))

Levi's provided a **case study for the Civic Alliance's Corporate Civic Playbook**, outlining efforts for promoting employee and consumer voting engagement ([Civic Alliance](#))

In June 2020, after the killing of George Floyd, Levi's publicly admitted to internal racial equity shortcomings and **published their diversity break-downs**, including segmentation between all U.S. employees and U.S. corporate employees ([Levi Strauss & Co.](#))

Further reading

From our library to yours



Suggested reading



1. [The Untapped Tool for Growth: Corporate Civic Engagement](#) | Forbes
2. [Civic Responsibility: The Power of Companies to Increase Voter Turnout](#) | Harvard Kennedy School
3. [From Commitments to Action: How CEOs Can Advance Racial Equity in Their Regional Communities](#) | Brookings
4. [The 2022 Corporate Racial Equity Tracker](#) | JUST Capital
5. [The New Normal: What A Changing Culture Means for the Future of Business](#) | Global Strategy Group
6. [Edelman Trust Barometer 2022](#) | Edelman
7. [Corporate Civic Playbook](#) | Civic Alliance

For questions, feedback, or more information about this NationSwell Trend Report, please contact Liesl Schnabel at lieslschnabel@nationswell.com



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Companies like ours also came to understand that we must play a role here...For me personally, it meant committing to more deeply examining my own privilege and improving diversity throughout our company. This also reinforced for me the sense that we can't speak of issues like gun violence and voter disenfranchisement in isolation without also addressing the structural racism they both stem from and propagate.

CHIP BERGH

President and CEO
Levi Strauss & Co.

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