



Political Views and Corporate Decision Making: The Case of Corporate Social Responsibility

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Abstract

This paper conducts an empirical analysis of the relationship between corporate social responsibility (CSR) and political beliefs in the United States. By analyzing the 2004 presidential election results of communities in which corporate headquarters are located, we establish a correlation between the political beliefs of corporate stakeholders and the CSR ratings of their firms. Companies with a high CSR rating tend to be located in Democratic, or “blue” states and counties, while companies with a low CSR rating tend to be located in Republican, or “red” states and counties.

Keywords: CSR, decision making, elections, headquarters, political views

JEL Classifications: G30, P16

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