

Political Connections and Shareholder Support

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Abstract

We study investors' preferences for corporate political connections in the U.S. using a novel measure; shareholder votes given to individual directors. We find that, after fully accounting for all firm-year specific information and a wide range of director characteristics, that politically connected directors on average do not obtain significantly greater shareholder support. During our sample period (2010-2020), we observe a diminishing popularity of politically connected directors. Political alignment to the incumbent government matters in the sense that Democrat directors are viewed as valuable to shareholders during the Obama administration. However, during Donald Trump's presidency a Democrat party affiliation instead turned into a liability. We also find that shareholders have a stronger preference for politically connected directors in heavily regulated industries, suggesting that board members can alleviate regulatory risk. Our study has implications for director selection and the role of political connections in shaping corporate governance practices.

JEL Classification: G30, G34, G38

Keywords: Political Connections, Shareholder Support, Board of Directors, Industry Regulation

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1. Introduction

Under a well-functioning legal system with strong corporate governance, board directors' political connectedness would not be expected to be valuable to shareholders above and beyond their holistic assessment of the individual director. Yet, 153 of the S&P500 firms have at least one politically connected director on their board (Goldman et al., 2009).⁵ Goldman et al., (2009) discover positive abnormal returns around corporate board nomination announcements of politically connected persons.⁶ They also report that companies with political connections to the 2000 presidential election winning party significantly increased in value in the post-election period, while the opposite is true for companies connected to the losing side. Contrary to prior research in the field, we use a director-level measure of shareholder support to evaluate the importance of political connections - director voting outcomes at the annual general meeting.

If political connections are perceived as valuable by shareholders, we expect investors to take them into account when voting for individual board members. Our paper considers the following research questions: 1.) Do politically connected directors receive more votes than non-political directors? 2.) Is the number of votes related to the political orientation of the director and its relation to the governing party? 3.) Are political connections more popular among shareholders in industries where government ties are important (regulated and/or procurement intensive industries)? 4.) Do political connections matter to shareholders during times of elevated political uncertainty?

To answer the above research questions, our director-level voting measure offers several advantages over firm-level measures. The voting outcome measure captures shareholder

⁵ Faccio (2006) reports that the amount of political connections differs between countries and is higher in corrupt countries, in countries with barriers to foreign investment and, surprisingly, in those with more transparent systems. She speculates that the latter may simply be due to better access to information in such countries.

⁶ The announcement returns are positive and significant irrespective of whether the board member's political connection is to the Republican or the Democrat party. However, there is also a significant difference between the returns for these groups, the Democrat group's return being significantly more positive.

support for the individual director, allowing us to alleviate standard endogeneity problems present in the corporate governance literature. It is problematic to use firm-level measures to identify a single director's impact on corporate performance. By having a director-level measure, we can use firm-year fixed effects. The within firm-year setting effectively allows us to control for *all* confounding firm- and board-level characteristics likely to affect a director's shareholder support. Prior work is either based on event studies studying director appointments or resignations, firm value (Tobin's-Q, M/B), or on accounting performance measures (ROA, ROE) as the dependent variables (see, e.g., Johnson and Mitton, 2003; Faccio, 2006; Jayachandran, 2006; Goldman et al., 2009; Acemoglu et al., 2016; Bedendo and Siming, 2021). These studies are potentially hampered by endogeneity from unobserved firm- and board-level factors. Furthermore, event studies are often conducted at the time of appointment of a director. Adams et al. (2011) argue that such event returns are contaminated by other news. Finally, the annual voting at the AGM allows us to capture shareholders' director support at higher frequency relative to event studies which focus on director appointments, resignations, dismissals, or deaths. Hence, using director voting outcomes offers a cleaner setting to study how political connections impact shareholder support.

Using a hand-collected U.S. sample of 46,624 director-firm-year observations during the time-period 2010 to 2020, covering both Barack Obama's and Donald Trump's presidencies, we find no overall evidence that political connections would be a significant voting criterion for shareholders. However, when studying the Obama and Trump administrations in isolation, we find that political connections turn into a liability during Trump's presidency. We observe a political alignment effect for Democrat directors who receive significantly more 'for' votes during the Obama years, which, however, turns negative during the Trump years. Specifically, the negative voting outcomes for Democrat directors are driven by the last years of Trump's presidency. Our results are robust to controlling for all firm-

year specific variation (i.e., firm and board characteristics) and a wide range of director characteristics. Political connectedness is significantly stronger in more regulated industries but not in procurement intensive industries. We further find no connection between shareholder support and political uncertainty. Our results also support the informational value of the board voting measure as we obtain statistically significant coefficients with expected signs for several other board member characteristics (e.g., negative coefficient for failure to attend board meetings, and holding other concurrent board seats; and positive coefficients for higher educational degrees).

Even though we include firm-year fixed effects and a wide range of director characteristics, it is still possible that we are unable to capture all director-level unobservables likely to affect the voting outcome. Hence, we conduct two additional tests. First, we endogenize our main explanatory variables (Political Connections, Democrat, Republican) using a two-stage least squares (2SLS) procedure. Second, we use entropy balanced synthetic control groups to account for director selection effects. Neither of the two procedures alter our interpretations, the demand for political connected directors weakens during Donald Trump's presidency. Democrat directors' political affiliations were valuable during Barack Obama, while turning into a liability during the Trump administration.

This paper contributes to the literature on how investors value directors' political connections. We introduce a more direct measure not used in previous studies of political connections – individual director voting outcomes. In line with studies from the field of corporate governance (see e.g., Chen and Guay, 2020; Field, Southern and Yore, 2020), we investigate shareholder voting outcomes from annual director elections in the U.S. This measure is quite novel with several advantages over, e.g., announcement returns around annual elections of directors for corporate boards. Firstly, the measure is *director specific* unlike for example the stock price reaction to an election outcome as many directors are typically selected

simultaneously. Secondly, having a director specific measure of shareholder support allows us to capture director-level heterogeneity and include firm-year fixed effects to isolate the voting outcomes from all firm-year specific variation. Our voting outcome measure also allows us to contribute to the literature on the informational content of shareholder votes.⁷

Our study adds to the understanding on the perceived value of politically connected directors. First, prior studies find positive valuation effects following the appointment of politically connected directors (Johnson and Mitton, 2003; Faccio, 2006; Jayachandran, 2006; Goldman et al., 2009; Acemoglu et al., 2016). Using a novel measure of shareholder satisfaction, we do not find that politically connected directors are more valuable to shareholders on average. On the contrary, we find that politically connected directors exhibit negative voting outcomes during the latter part of our sample period. Second, several studies find an alignment effect between the director's political orientation and the governing party (Talmud, 1992; 1999; Talmud and Mesch, 1997; Siegel, 2007; Goldman et al., 2009). Our voting-based outcome measure only confirms their findings for Democrats, but not for Republican directors. Interestingly, in line with Siegel (2007), we find that following a political regime change, connections to the Democrat party turn into a liability during Trump's presidency. Third, several studies find positive effects among board members with ties to the Republican party following his appointment (Wagner et al., 2018; Fink and Stahl, 2020). These studies use an event study design and find that Republican connections are valuable resources to the firm. In contrast, we do not find that Republican affiliated directors would gain greater shareholder support. Therefore, our findings are closer to those of Child et al., (2021), who show that only non-political ties to Trump matter. Interestingly, the perceived value of politically connected directors, and specifically Democrat directors, erodes during the last years

⁷ See e.g., Chen and Guay (2020) and Cai, Garner and Walkling (2009) concerning director characteristics and time constraints, Ertimur, Ferri, and Oesch (2013 and 2017) on proxy advisory recommendations, and Ferri and Oesch (2016) on managerial influence.

of Trump's presidency. Fourth, prior evidence focuses on the value implications and appointments of politically connected directors within regulated industries (Stigler, 1971; Kroszner and Stratmann, 1998; Aggrawal and Knoeber, 2001; Hellman, 2005; Aguzzoli et al., 2021). Our director-level measure allows us to expand the literature by examining director heterogeneity. We find that politically connected directors' voting outcomes in regulated industries benefit from their legal expertise. In sum, this study helps us to better understand shareholders' revealed preferences for politically connected directors.

The paper is structured as follows. Section 2 presents the hypothesis development. In Section 3, we present our data and research design. Section 4 reports our main results. Endogeneity concerns and robustness are addressed in section 5. Concluding remarks are presented in section 6.

2. Hypothesis development

The directors' political ideology can shape their decision making. Jost (2006) and Rasinski (1987) argue that liberal individuals (Democrats) emphasize egalitarianism, whereas conservatives (Republicans) value free-market principles and favour individual actions. For example, this causes differences in directors' views concerning stakeholder and shareholder orientation. Several studies document differences between Democrat and Republican leaning firms, executives, and boards. Consistent with Democrats being more egalitarian, Chin and Semadeni (2017) find that Democrat leaning CEOs tend to reduce pay dispersion among non-CEO executives. Concurring with Democrats' stakeholder orientation, Gupta et al., (2017) find that liberal leaning organizations spend more on corporate social responsibility (CSR). Gupta et al., (2021) report a peer effect following the appointment of CSR directors in Republican firms. Democrats and Republicans also show heterogenous attitudes towards risk taking.

Consistent with Republicans being more risk averse, Christensen et al (2015) find firms with Republican top executives being less likely to engage in tax avoidance. Republican leaning boards are also more willing to dismiss CEOs following financial misconduct (Park et al., 2020). Hence, the personal traits and the resulting decision making of Democrat and Republican directors differ significantly.

Resource based (Penrose, 1959; Wernerfelt, 1984; Barney, 1991) and resource dependence (Pfeffer, 1972; Pfeffer and Salancic, 1978) theories offer explanations for why political connections can influence shareholder voting above and beyond shareholders' holistic assessment of each individual director. Resource based and resource dependence theories highlight the importance of tangible and intangible resources to improve firm performance and their competitive position. Directors with political ties can bring such resources to the firm through several channels. First, from increased governmental procurement (Jayachandran, 2006; Faccio and Parsley, 2009; Amore et al., 2013; Goldman et al., 2013; Tahoun, 2014; Brogaard et al., 2015; Ferris, 2019). Second, from increased governmental financial benefits (Backman, 1999; Dinç, 2005; Khwaja and Mian, 2005; Faccio et al. 2006; Claessens et al., 2008; Duchin and Sosyura, 2012). Third, from relaxing regulatory oversight and securing favourable regulatory conditions (Stigler, 1971; Kroszner and Stratmann, 1998; Aggrawal and Knoeber, 2001; Aguzzoli et al., 2021), Fourth, from protection against foreign competition (Grossman and Helpman, 1994). Fifth, from lowering the cost of capital (Boubakri et al., 2012; Houston et al., 2014). Sixth, from lowered taxation (Adhikari et al., 2006; Kim and Zhang, 2016). Seventh, from reduced risk of fraud detection (Yu and Yu, 2011). Eight, political connections can increase the performance of new ventures (Li and Zhang, 2007). However, there are also negative aspects linked to political connections. Focusing on politics, executives and directors may divert their attention from efficient management of the company. Furthermore, misalignment between corporate communication and actions may trigger scrutiny

of politically connected directors (Lund and Strine, 2022). Previously valuable political connections may turn into a liability following a regime change (Siegel, 2007). Risk averse investors also price in the perceived risks of political corruption leading to higher cost of capital (Butler et al., 2009). In Hypothesis (1), we argue that politically connected directors' voting outcomes depend on shareholders' evaluation of the positive and negative aspects of political connections.

Resource based and resource dependence theories suggest that the value of political ties are conditional on the political power balance. Since the positive outcomes of political ties include reduced regulatory oversight, acquiring procurement contracts and obtaining governmental financial benefits, alignment to the incumbent government can increase the value of the political tie. For example, Talmud (1992, 1999) and Talmud and Mesch (1997) find that Israeli firms connected to the incumbent government provided them access to valuable resources. However, following a swift political change, the political connection can also turn into a liability, if the valuable connection does extend to the new government (Siegel, 2007). In Hypothesis (2), we argue that the effect of political connections should be stronger if the director is aligned with the government.

Political connections as a resource can be more valuable in industries more dependent on government actions. Several studies argue that political connections can lead to looser regulation and increased procurement by governmental bodies. Goldman et al. (2013) show that political connections are correlated with the allocation of government procurement contracts: the change in control of both House and Senate following the 1994 election resulted in a significant and large increase in procurement contracts for the winning party. Similarly, Brogaard et al. (2015) find that politically connected firms are more than 10% likely to win Federal procurement contracts and to obtain larger contracts. Correia (2014) finds that politically connected firms are less likely to be involved in SEC enforcement actions and face

lower penalties if they are prosecuted. Hillman (2005) reports that firms in heavily regulated industries are more likely to appoint politically connected directors and are more profitable. Hypothesis (3) stipulates that politically connected board members are more valuable to shareholders in regulated and procurement heavy industries.

Political connections can be an asset or a liability during times of elevated political uncertainty. The link between political uncertainty and shareholder approval for politically connected directors is ambiguous. First, resource dependence theory postulates that a key role of a director is to build, maintain and improve relations to manage uncertainty. Furthermore, Acemoglu et al. (2016) put forward the connection-in-crisis hypothesis arguing that political connections are more valuable during turbulent times: politically connected directors can be particularly valuable in alleviating uncertainty through their government connections. Second, contrary to the positive risk management effect, political connections may also exacerbate uncertainty effects when the director is affiliated to the government (Mangena et al., 2012; Liu et al., 2017). Hypothesis (4) explores if political uncertainty influences shareholders' voting for politically connected directors.

3. Data and research design

3.1. Data

Our primary data source is the Security and Exchange Commission's (<http://www.sec.gov>) webpage. We hand-collect data on the board compositions of S&P 500 firms for the years 2010 to 2020. Board director election voting results (*Vote %*) is our main outcome variable measuring a director's shareholder support. We obtain board election data from SEC Forms 8-K wherein item 5.07 specifies the number of 'for', 'against' and 'abstained' votes in the director election. Following Cai et al. (2009), we define the percentage of 'for' votes (*Vote %*) a director receives

as the number of ‘for’ votes divided by the total number of votes cast (the sum of ‘for’, ‘against’ and ‘abstained’ votes). After constructing these measures for all directors, firms and years yields a total sample size of 46,624 director-firm-year observations. Consistent with prior literature (see, e.g., Aggarwal et al., 2019; Chen and Guay, 2020; Redor and Blomkvist, 2021; 2022), our results indicate that directors running for board seats are elected by a large majority (96.6% ‘for’ votes compared to 3.4% ‘against’ and ‘abstained’ votes).

Next, we identify politically connected directors. We define a director as politically connected if he/she has previously held a position as a politically elected representative [*Politically Connected (Elected)*]. Our definition includes directors holding governor, mayor, secretary of state, senate or congress positions/seats (see Internet Appendix 1 for a full list of politically connected directors). Our measure directly captures the resources and networks that former ties to the government bring to a firm through her/his appointment. We employ a stricter definition of politically connected directors compared to Goldman et al. (2009), who also include non-elected employees in the administration (commissioners, undersecretary and ambassadors etc.) which we use in robustness tests [*Politically Connected (Elected+Appointed)*].⁸ We argue that the highest elected representatives would have a greater impact on government actions. It is also difficult to distinguish the political affiliation of non-elected former representatives of state.⁹ Table 1 shows that out of the 46,648 director-firm-year observations, 680 represent politically connected director-firm-year observations from 162 politically connected directors. We further divide our sample of politically connected directors between Democrats and Republicans. We end up with 328 Democrat-director-firm-years and

⁸ Several studies (see e.g., Gupta et al., 2021) measure political connections through donations. However, in our setting it is unclear if shareholders would be aware of the donation activities by individual directors. Hence, using donations coupled with shareholder votes as outcome variable could fail to identify the value donating directors bring to the firm. Director-level donations would therefore be more appropriate in studies having action-based outcome variables (instead of third-party approval) such as investment in CSR, ESG etc.

⁹ For example, Spenkuch et al. (2021) shows that a significant fraction of appointed administrators retains their positions following a shift of government from Democrat to Republican and vice versa.

352 Republican-director-firm-years. The wider definition of Goldman et al. (2009) yields 2,555 politically connected director-firm-years.

We collect director characteristics information from annual reports, including director independence (outside director), gender, age, attending < 75% of board meetings, tenure, other board seats, ownership, dual CEO-Chairperson, director being either the firm CEO or Chairperson, the lead independent director, and the directors' educational attainment (see Appendix 1 for variable definitions).

We match the data with COMPUSTAT to retrieve industry [NAICS] codes and accounting information. To test for the relevance of our proposed channels, we retrieve data on industry regulation from RegHub (<https://www.reghub.ai>) and procurement data from the Federal Procurement Data System (<https://www.fdps.gov>). We use the economic political uncertainty index (<https://www.policyuncertainty.com>) of Baker et al., (2016) to test the link between political connections and political uncertainty.

3.2. Research design

Our research design offers several advantages. The dependent variable (Vote%) captures shareholder support at the director-level, allowing us to overcome standard problems in the corporate governance literature that uses firm-level outcome variables. The research setting with firm-year fixed effects mitigates several identification issues found in prior studies. The within firm-year setting effectively allows us to control for *all* confounding firm-level characteristics likely to affect a director's shareholder support such as firm quality or firm performance. Prior work is either based on event studies studying director appointments (see, e.g., Goldman et al., 2009), resignations (Bedendo and Siming, 2021), firm value (Tobin's-Q, M/B), or accounting performance measures (ROA, ROE) as the dependent variables. These

studies are potentially hampered by endogeneity stemming from unobserved firm-level factors which may affect the outcome variable and be unrelated to directors' performance. Furthermore, event studies are often conducted at the time of appointment of a director. Adams et al. (2011) argue that such event returns are contaminated by related news. Another branch of event studies focuses on specific events related to an individual politician making them less generalizable (Roberts, 1990; Fisman et al., 2012; Acemoglu et al., 2016). Finally, the voting at the AGM allows us to capture shareholders' director support at higher frequency relative to event studies that focus on board composition changes.

To capture the within firm-year heterogeneity in director support, we estimate the following model:

$$Vote\%_{i,j,t} = \alpha_{j,t} + \beta * Political\ Connection_{i,j,t} + \mathbf{Z}_{i,j,t} \boldsymbol{\gamma} \quad (1)$$

Where $Vote\%_{i,j,t}$ is the percentage of supporting votes for director i in firm j during year t . $\alpha_{j,t}$ is a firm-year fixed effect, $Political\ Connection_{i,j,t}$ is an indicator taking the value of one if the director is politically connected and zero otherwise. $\mathbf{Z}_{i,j,t}$ is a matrix of director-level control variables. Hence, our setting allows us to control for all observable and unobservable firm-level characteristics in addition to our director-level controls in the $\mathbf{Z}_{i,j,t}$ matrix. We use different political connection variables throughout the paper. In our main specification, we use the most straightforward definition and do not consider the political party affiliation of the director. In further tests, we partition the variable to account for the political orientation of the candidate (Democrat or Republican).

3.3. Descriptive Statistics

Table 1 shows that directors receive 96.6% ‘for’ votes on average. 1.5% of the director-firm-year observations consist of politically connected directors, with 0.7% being Republican directors and 0.8% Democrats. For robustness we also use the wider political connections definition of Goldman et al., (2009) and find that 5.5% of the directors have held a government position. 84.4% of the observations consist of independent directors. 21.2% of the directors are female. In general, our sample characteristics are comparable to prior director-level studies such as Aggarwal et al., (2019), Fields et al., (2019) and Chen and Guay (2020).

<Table-1 >

Table 2 shows univariate differences between politically connected and non-connected directors, in addition to differences between Democrat and Republican directors. We observe weaker shareholder support for politically connected compared to non-politically connected directors. Although politically connected directors receive less votes, they hold 40% more board positions on average. Politically connected directors are more likely to be independent, female, older, hold less shares, and are less likely to be the chairperson or CEO. Their educational attainment also differs from non-connected directors: they are less likely to hold MBA, Master and Ph.D. degrees but more likely to hold law degrees.

<Table-2 >

The last five columns of Table 2 show that Democrat directors receive on average more ‘for’ votes relative to Republican directors (96.4% compared to 95.5%). Republican connected directors are more likely to have had a political career as secretary of state or holding governor positions. Democrat directors are more likely to have acted as mayors, and more senior with longer director tenure. Republican directors are more likely to hold MBA degrees, while Democrats are more likely to hold law and master’s degrees.

4. Results

We test Hypothesis (1) by exploring whether politically connected directors gain greater shareholder support (more ‘for’ votes). We estimate equation (1) using our measure of political connections [*Politically Connected (Elected)*]. The models in Table 3 capture all observable and unobservable firm-level and board characteristics by including firm-year fixed effects. We include a wide range of director level controls to capture directors’ conditionally expected voting outcome independent of being politically connected. According to Hypothesis (1), we expect politically connected directors to receive more ‘for’ votes compared to directors sitting on the same board if the positive aspects of political connections outweigh the negative.

<Table-3 >

Our findings in column (1) of Table 3 reveal that politically connected directors obtain marginally more ‘for’ votes compared to other board members, albeit the effect is not statistically significant. In line with prior studies, we report that female directors receive greater shareholder support. Furthermore, concurring with Chen and Guay (2020) busy directors (*Other boards*) obtain significantly fewer votes. Even though the univariate correlation (0.0243) between *vote%* and *Independent Directors* is positive, *Independent Directors* enters with a negative sign in the multivariate estimations, suggesting that the marginal effect of independent directors is negative after accounting for firm-year fixed effects and a wide array of director-level controls. In column (2), we instead use the wider measure of political connections including both elected and appointed nominees following Goldman et al. (2009) [*Political Connections (Elected + Appointed)*]. Our findings do not alter the interpretation of the estimations in column (1); politically connected directors do not gain greater shareholder support.

The next set of tests partitions the sample based on Obama's and Trump's presidential terms. Columns (3) and (4) replicate earlier estimations during the Obama sample years (2010-2016), and columns (5) and (6) show estimations during the Trump years (2017-2020). During the Obama years we find a weak positive but albeit non-statistically significant effect on the votes obtained by the director nominees. Interestingly, column (5) shows that politically connected directors exhibit -0.56pp shareholder support (t-stat: -1.920) compared to non-politically connected. Hence, political connected directors receive significantly less shareholder support during the Trump years. Furthermore, the effect is of the same order of magnitude as in prior studies using shareholder votes as outcome variables but with different main explanatory variable. Chen and Guay (2020) report that busy directors receive 0.67pp less 'for' votes relative to non-busy directors. Field et al. (2019), report a smaller effect 0.36pp for diverse directors (directors from ethnic minorities and/or female directors). In column (6), we also include directors appointed by the administration [*Politically Connected (Elected + Appointed)*] and find a non-significant effect. Our findings suggest that elected politically connected directors (Secretary of State, Senator, Congressperson, Governor, and Mayor) become less desirable during the Trump administration.

Our baseline findings fail to lend support to Hypothesis (1), the average politically connected director does not gain greater shareholder support beyond their conditional expectation. Even though we find a positive relation between politically connected directors and votes, it fails to reach conventional levels of statistical significance. Our findings deviate from prior studies that use valuation-based outcome variables at the firm-level (see e.g., Faccio, 2006; Goldman et al., 2009). Our results suggest that the positive share price reactions to director appointments may be due to factors unrelated to the individual directors' political

connections.¹⁰ Interestingly, shareholders' perceived value of political connections becomes negative during the Trump administration. In untabulated tests, we also find that the proportion of politically connected directors drop significantly during the Trump years (from 1.66% to 1.16%), highlighting the lower demand for politically connected directors.

4.1. Democrat vs. Republican Directors

Our sample period (2010-2020) coincides with both Barack Obama's and Donald Trump's presidencies. To test Hypothesis (2), we study if politically connected directors aligned to the governing party gain greater shareholder support. We partition *Politically Connected (Elected)* into two variables (*Democrat* and *Republican*) and re-estimate equation (1) above in Table 4.

<Table-4 >

For estimations using the full sample, our findings in column (1) of Table 4 show that neither Democrat nor Republican directors gain greater shareholder support relative to other directors at the same board. By partitioning the sample into Obama and Trump years, we find a positive and statistically significant relation (0.0069; t-stat: 2.965) between Democrat connections and votes in column (2). This reverses into a significant negative relation (-0.0083; t-stat: -2.178) during the Trump years in column (3). The magnitude of our findings is in line with prior studies using shareholder voting data (see, e.g., Field, 2019; Chen and Guay, 2020). Republican directors receive somewhat fewer votes compared to other directors within the same firm and year, albeit the effect is not statistically significant. Child et al. (2021) offer one potential explanation to the non-existent positive political alignment effect among Republicans

¹⁰ It is likely that shareholder support and the individual director's impact on stock returns is highly correlated, although the exact link is not clear.

during Trump's presidency; having business ties to Trump is viewed as more beneficial than connections to the Republican party.

To further explore why Democrat directors receive less 'for' votes during the Trump administration, we partition the sample into 2017-2018, 2019-2020, 2019 and 2020. In Appendix 2, we find that the negative effect of Democrat directors is driven by the years 2019 and 2020. The effect sizes are surprisingly large for 2019 (-1.51pp) and 2020 (-1.84pp) compared to a small standard deviation (4.4pp) among Democrats. One possible explanation is that these years coincide with the Business Roundtable statement in 2019¹¹, where executives from 181 of U.S. largest companies stated that in addition to delivering value to shareholders, they should also focus on providing value to other stakeholders. As Democrat directors are associated with a greater emphasis on stakeholder orientation rather than shareholder value maximization (Rasinski, 1987; Jost, 2006; Di Guili and Kostovetsky, 2014; Gupta et al., 2017), it is possible that shareholders committed to a value maximization paradigm potentially vote against Democrat directors. However, even though the negative effect starts in 2019, the results should be interpreted with caution since year 2020 is also impacted by COVID and the resulting lockdown policies, where Democrats promoted stronger government measures to hinder the spread of COVID.

Tests of Hypothesis (2) show a strong alignment effect in shareholder support for Democrat but not for Republican directors. The average effect of being connected to the Democrat or Republican parties are not statistically different from zero. Our findings contradict prior evidence that uses value-based measures for Republican candidates during the Bush and Trump eras (Goldman et al., 2009; Wagner et al., 2018; Fink and Stahl, 2020) as they find a positive alignment effect for Republican directors. Interestingly, our findings are in line with

¹¹ <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>

studies examining political connections around regime changes (Talmud, 1992; 1999; Talmud and Mesch, 1997; Siegel, 2007). The value of political connections can turn into a liability. We find such an effect for Democrat but not for Republican directors.

4.2. Channels

In this section of the paper, we test Hypotheses (3) and (4) by investigating three different channels. First, we test if the political connection and party affiliation effects are stronger in regulated industries. Second, we explore whether political connections are more beneficial in public procurement intensive industries. Third, we study if political uncertainty impacts the value of political connections.

Politicians on the board may gain popularity among shareholders due to their possibility to influence legislation. Prior studies suggest that this effect should be more prevalent in heavily regulated industries (Mahon and Murray, 1981; Lang and Lockhart, 1990; Hillman, 2005). To test if our findings are driven by the possibility to affect legislation among politically connected board members, we interact *Politically Connected (Elected)*, *Democrat* and *Republican* variables with a *Regulated Industries* indicator. Positive interaction terms indicate that the marginal effect of being politically connected is stronger in regulated industries. We define regulated industries as the five NAICS 3-digit industries with the highest regulatory presence according to RegHub. We estimate our models with firm-year fixed effects, which fully absorb the main effect of regulated industries.

<Table-5 >

Our findings in Column (1) of Table 5 reveal that the difference in votes between politically connected and non-politically connected directors is greater in regulated industries. The effect among politically connected directors is 0.77pp (-0.10pp+0.87pp) higher than for

other directors within the same firm-year. The economic magnitude is comparable to prior literature which studies director voting outcomes (see e.g., Field, 2019; Core and Guay, 2020), and the interaction term is statistically significant at the 1% level. Column (2) of Table 5 shows that the positive regulation effect is concentrated among directors affiliated to the Democratic party. They obtain 1.26pp (0.06pp+1.20pp) higher voting outcomes relative to non-Democratic party affiliated directors and 1.14pp higher compared to Republican directors. Next, we explore the voting outcomes during the Obama and Trump years in isolation. Even though our findings support a positive political connection effect in regulation intensive industries, the marginal effect (interaction) is stronger during the Trump years. We further observe a positive voting outcome for Democrat directors [Columns (4) and (6)] both during Obama's and Trump's presidencies. However, Republican directors only exhibit a statistically significant positive relation during the Trump years [Column (6)], suggesting that Republican directors are more popular in heavily regulated industries compared to other industries. When comparing Democrat and Republican directors in regulated industries to other directors (main effect + interaction effect), we do not find that they are more popular among shareholders. In auxiliary tests (see Appendix 3), we explore a plausible explanation for our findings; that Democrat directors are more likely to hold a law degree and thereby offer a valuable resource in heavily regulated industries. We find a significant positive interaction term between Democrat directors holding a law degree at the 10% level, while the main effect for a law degree is weakly negative. We attribute our findings to shareholders valuing law school graduates with political connections in regulated industries.

Next, we explore the procurement channel. Goldman et al. (2013) argue that having directors connected to the ruling party is positively correlated with the allocation of government procurement contracts. To test if politically connected directors gain greater shareholder support in procurement intensive industries, we interact *Politically Connected (Elected)*,

Democrat and *Republican* variables with a procurement intensive industry indicator (*Procurement*). Positive interaction terms indicate a stronger marginal effect for politically connected directors in procurement intensive industries. We define procurement intensive industries as the five NAICS 2-digit industries with the greatest amount of governmental procurement according to the Federal Procurement Data System. As our models include firm-year fixed effects, the main effect of procurement intensive industries is fully absorbed by the firm-year indicators.

<Table-6 >

Failing to support Hypothesis (3), Column (1) of Table 6 shows that politically connected directors are not significantly favoured in procurement intensive industries compared to other industries. Being affiliated to the Democratic party decreases the perceived value of the director among shareholders [Column (2)] (t-stat=-2.039). On the contrary, Republican directors do gain greater shareholder support in procurement intensive industries as the interaction term is positive and statistically significant (t-stat=2.693). The main effect of Republican directors is borderline negatively statistically significant at the 10% level (t=-1.732). Operating in a procurement intensive industry appears to be an important driver of Republican director shareholder support. We further conduct an F-test of the *Republican* coefficient plus the interaction term and find a significant positive total effect (F-stat 4.350; p-value 0.0370), indicating that the shareholder support is on average greater for Republican directors in procurement intensive industries compared to non-politically connected directors. Hong and Kostovetsky (2012) offer a possible explanation to why Republican directors are more popular in procurement intensive industries. They find that republican leaning fund managers conduct more investments in so called “sin” stocks such as arms and defence firms.

The top procurement industries partly include weapon manufacturers and defence contractors.¹² Furthermore, Wintoki and Xi (2020) argue for political alignment in fund managers' holdings. Hence, one possible explanation to our finding is that procurement intensive firms have more Republican leaning shareholders, who perceive Republican directors positively.

Columns (3) and (4) of Table 6 use the subsample of the Obama years. Failing to support Hypothesis (2), Republican directors receive greater shareholder support in procurement intensive industries, while the Democrat effect is insignificant. Interestingly, when studying the Trump years in columns (5) and (6) the effect for Republicans remains positive, albeit not statistically significant, while democrats receive significantly fewer votes in procurement intensive industries. The COVID year 2020 dramatically shifted the governmental procurement policies and target industries (McKue et al., 2021). In unreported tests, leaving out year 2020, the Republican interaction coefficient increases compared to the Obama years (0.0138 compared to 0.0122), but still fails to reach conventional levels of statistical significance (t -stat=1.26). Our results in procurement intensive industries do not contradict prior findings (See e.g., Goldman et al., 2009) - the value of political connections decreases during Trump's presidency irrespective of political colour.

We further explore a third channel in our double-sided Hypothesis (4), if political uncertainty influences shareholder voting for politically connected directors. We interact *Politically Connected*, *Democrat* and *Republican* variables with the Political Uncertainty index (*EPU*). Positive interaction terms indicate that the effect is stronger during times of elevated political uncertainty.

<Table-7 >

¹² The S&P500 companies in procurement intensive industries (where Republicans receives the greatest shareholder support) include weapon manufacturers and defence contractors such as General Dynamics, Raytheon Technologies, Honeywell, Boeing, and Caterpillar.

Our analysis presented in Table 7 does not lend support for the notion that political uncertainty affects the degree of shareholder support among politically connected directors. Our findings suggest that the interaction between being affiliated to the governing party or the opposition and political uncertainty does not affect the degree of shareholder support.

In summary, our findings partly lend support to Hypothesis (3), political connections are a valuable resource in regulated industries. In support of resource-based theory, we find that politically connected directors holding a law degree gain marginally more ‘for’ votes. However, we do not find similar evidence in procurement intensive industries. Finally, we fail to find any support for Hypothesis (4) regarding political uncertainty and political connections.

5. Rookie directors, endogeneity concerns and robustness

Using shareholder support as dependent variable has advantages over studying stock market reactions (director appointments may be contaminated with other information) and firm value (difficult to disprove reverse-causality between appointment and valuation, and also to identify the exact director impact). The advantage stems from the use of a director-level measure which can be demeaned by the firm-year (using firm-year fixed effects). This effectively excludes all firm-level observables and unobservables from our measure. However, it is still possible that we are unable to capture all director-level unobservables likely to affect the voting outcome for a given director. To overcome this issue, we endogenize *Political Connection (Elected)*, *Democrat* and *Republican*. We use the excluded instruments of Yang and Zhao (2014), and Liu et al., (2015); the percentage of politically connected, Democrat and Republican directors within the firm’s 2-digit NAICS industry during the given year. The idea behind using the percentage of directors within the industry is that this percentage is likely to be affected by industry characteristics and conditions but should not affect the within-firm voting outcome.

We argue that the percentage of politically connected, Democrat and Republican directors satisfies the inclusion restriction by having an impact on the likelihood of being politically connected/Democrat/Republican in the first stage. The F-statistics for the percentage of politically connected/Democrat/Republican are highly statistically significant in all first stage estimations. We can only argue for the exclusion restrictions, although it is unlikely that an industry average of politically connected directors should have direct impact on the excess votes individual directors obtain. Since we cannot use firm-year fixed effects in these estimations due to collinearity of industry-year measures with firm-year fixed effects, we use *the Excess Vote %* as the dependent variable, with industry and year fixed effects. *Excess Vote %* is demeaned at the firm-year level.

<Table-8>

The second stage estimations in Table 8 support our previous findings. We do not find any aggregated effect of being politically connected on the voting outcomes. However, unlike prior results, we find in Column (4) that political connections are valuable during the Obama administration, but that these findings are mainly driven by a party alignment effect by Democrats [Column (5)]. Yet again, we report in Column (7) that political connections negatively impact shareholder support during the Trump administration and that this effect is driven by Democrat directors [Column (8)].

When studying the shareholder support of an existing director, we are likely to capture both past performance and the expectations of the director's future performance. It is therefore difficult to separate between effects coming from past performance or from future expectations. Instrumental variables are also unlikely to solve this issue. Instead, to address some of the potential endogeneity, we perform two additional analyses. First, we match politically connected directors with non-politically connected directors to better account for observable characteristics differences. Second, we disentangle shareholders' support with past

performance and their expectations concerning future performance by studying “Rookie” directors in isolation.

To solve the issue of potential self-selection based on observable characteristics, we implement entropy balancing (Hainmueller, 2012). Entropy balancing weighs the covariates in the control group to have the same means and variances as in the treatment group. Entropy balancing also provides advantages over other data pre-processing methods. First, unlike nearest neighbour matching, it reweighs all units to prevent a loss of information. Second, Harvey et al. (2017) report that entropy balancing achieves higher estimation accuracy and effectively mitigates selection bias. Indeed, none of the covariates exhibit differences between the control and the treatment group after balancing (see, Appendix 4). We create synthetic control groups to politically connected directors (treated groups) by weighting the means and variances in the control groups to match those in the treated groups. To create the synthetic control groups, we use all covariates from the previous analysis, except CEO-Chairman, CEO and ownership which do not converge in the entropy balancing due to our restrictions on the deviation in means and variances between treatment and control groups.

<Table-9>

Our results in Table 9 do not show any differences between politically connected and non-connected directors for the full sample period [Columns (1) and (2)]. However, our findings in Column (3) show that the difference in director characteristics between politically connected and non-connected directors can explain shareholder approval during the Obama years. After using a matched sample, we find that politically connected and Democrat directors gain greater shareholder approval relative to non-connected directors. The negative political connection effect during the Trump years remains significant also after entropy balancing in column (5). Similarly, in Column (6) Democrats receive less ‘for’ votes during the Trump years.

Next, we study the voting outcomes for rookie directors. Rookie directors are interesting to study in isolation. First, politically connected rookie directors' political engagement is likely to be more recent, suggesting that their political ties can be more valuable to the firm. Second, first time directors do not have any prior performance history within the firm and should thereby be judged on future potential. Hence, studying rookie directors provide an interesting setting to study a priori expectations on the perceived value of political connections to shareholders.

<Table-10 >

Our findings in Table 10 do not show any differences in shareholder approval between newly appointed politically connected directors, independent of their party affiliation and/or governing president. Our findings do not suggest that shareholders value more recent political connections.

<Table-11>

To ensure that the estimations of our base model (1) are not driven by firm or board characteristics correlated with unobservable director characteristics, we re-estimate the model including controls for firm size, leverage, Tobin's-Q, ROE, board size and the number of politically connected directors. Since using firm-year fixed effects would absorb all firm and board characteristics, we estimate the model using firm and year fixed effects. However, our findings in Table 11 do not alter previous interpretations.

6. Conclusion

We study investors' preferences for corporate political connections in the U.S. using a novel measure in the politically connected directors-literature; shareholder votes given to individual directors. Conducting the analysis on the director rather than firm-level allows us to fully

account for all firm-year specific variation, in addition to controlling for a wide range of director characteristics. Our setting thus allows for a clearer identification of the political connection and shareholder support relation.

By using a detailed hand-collected sample of 46,624 firm-director-years during the time-period 2010-2020, we find, contrary to prior studies, that political connections are on average not perceived as valuable by shareholders. Interestingly, political connections turned into a burden for directors during Trump's presidency. Separating between Democrats and Republicans yields different outcomes. In line with a "governing party alignment effect", Democrat affiliated directors gain greater shareholder support during the Obama years. The opposite holds true during the Trump years, where a Democrat affiliation is viewed as a liability by shareholders especially during the last years of Trump's presidency. We do not observe such an effect for Republican directors who gain support on par with other directors on the same board and year independent of the president. Our paper partly supports the conclusion of prior work (Siegel, 2007; Goldman et al., 2009) that establishes a government party alignment effect but only for Democrat directors. Furthermore, in line with Siegel (2007), we find that political connections can turn into a liability following a swift regime change. Interestingly, our findings align with Child et al. (2021), who report that during the Trump era presidential non-political business ties have replaced traditional political connections. In general, we offer novel insights into how shareholders perceive political connections.

Further analysis reveals that Democrat linked political connectedness is significantly stronger in more regulated industries. This suggests that shareholders expect politically connected directors to help the firm to mitigate regulatory risk. Interestingly, this effect is stronger among Democrats holding law degrees, suggesting that educational attainment in the law field coupled with being politically connected is viewed as a valuable resource. We find no direct support for shareholders valuing political connections in procurement intensive industries

on average, with the exception of that Republican directors received more ‘for’ votes during the Obama administration. We find no direct evidence for a link between political connections, political uncertainty and shareholder voting preferences.

In summary, our paper adds to the understanding on how political connections impact shareholder preferences. Covering both the Obama and Trump administrations, our study offers an interesting setting to re-examine several of the previous important findings in the corporate political connection literature using a novel outcome variable. The setting is especially interesting since, we have reasons to believe that the value of traditional political connections changed dramatically during the Trump years. Our study has implications for director selection and the role of politics in corporate governance.

From a policy perspective, we do not find any direct evidence that corporations through appointing directors with previous government involvement would lead to greater perceived shareholder value. Our study highlights the current state of the private corporate governance market to the extent that political connections are not seen as value enhancing through a democratic shareholder voting mechanism. Based on our study, we do not at large see any reason to scrutinize former politicians on corporate boards. However, regulated industries are different, we find strong evidence that shareholders favor politically connected directors. This could be due to politically connected directors offering valuable regulatory knowledge and possibly reducing information asymmetries between firm and regulators, but in worst case it could point towards rent extraction or gaining unjust competitive advantages through those connections. Public policy makers should therefore carefully study the costs and benefits of allowing former politicians in heavily regulated industries. Outside the scope of our study, it is possible that corporations extract rents through other channels such as lobbying, political donations or having non-political ties to politicians that we cannot directly observe in our voting outcome measure.

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Table 1: Descriptive Statistics

This table reports summary statistics of the variables used in the empirical analysis. All variable definitions are presented in Appendix 1.

	N	Mean	Std Dev	Min	Max
Vote %	46,624	0.9657	0.0545	0.0000	1.0000
<i>Political Connections</i>					
Political Connection (Elected)	46,624	0.0146	0.1199	0.0000	1.0000
Political Connection (Elected + Appointed)	46,624	0.0547	0.2274	0.0000	1.0000
Democrat	46,624	0.0070	0.0836	0.0000	1.0000
Republican	46,624	0.0075	0.0866	0.0000	1.0000
Secretary of State	46,624	0.0068	0.0820	0.0000	1.0000
Senator	46,624	0.0044	0.0662	0.0000	1.0000
Congressperson	46,624	0.0041	0.0639	0.0000	1.0000
Governor	46,624	0.0033	0.0570	0.0000	1.0000
Mayor	46,624	0.0010	0.0317	0.0000	1.0000
<i>Director Characteristics</i>					
Independent	46,624	0.8442	0.3627	0.0000	1.0000
Female	46,624	0.2117	0.4085	0.0000	1.0000
ln(Age)	46,624	4.1219	0.1302	3.3322	4.5643
Board Attendance	46,624	0.0029	0.0533	0.0000	1.0000
ln(1+tenure)	46,624	1.9438	0.8450	0.0000	4.2341
Other Boards	46,624	0.9738	1.1080	0.0000	80.0000
Ownership	46,624	0.0109	0.6596	0.0000	75.0110
CEO-Chairman	46,624	0.0573	0.2324	0.0000	1.0000
CEO	46,624	0.1187	0.3234	0.0000	1.0000
Chairman	46,624	0.0938	0.2916	0.0000	1.0000
Lead Independent Director	46,624	0.0605	0.2384	0.0000	1.0000
<i>Educational Attainment</i>					
B.Sc	46,624	0.2550	0.4359	0.0000	1.0000
MBA	46,624	0.3658	0.4816	0.0000	1.0000
Ph.D	46,624	0.0968	0.2956	0.0000	1.0000
Law Degree	46,624	0.1094	0.3121	0.0000	1.0000
Masters Degree	46,624	0.1049	0.3064	0.0000	1.0000

Table 2: Univariate Differences

This table reports univariate differences between a) politically connected and non-politically connected directors (others); b) Democrat and Republican directors. All variable definitions are presented in Appendix 1. ***, **, * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

	Politically connected		Others		Diff	Democrat		Republican		Diff
	Mean	Std Dev	Mean	Std Dev		Mean	Std Dev	Mean	Std Dev	
% Votes	0.959	0.063	0.966	0.054	-0.01**	0.964	0.044	0.955	0.077	0.01*
<i>Political Connections</i>										
Political Connection	1.000	0.000	0.000	0.000	1.00	1.000	0.000	1.000	0.000	0.00
Democrat	0.482	0.500	0.000	0.000	0.48***	1.000	0.000	0.000	0.000	1.00
Republican	0.518	0.500	0.000	0.000	0.52***	0.000	0.000	1.000	0.000	-1.00
Secretary of State	0.465	0.499	0.000	0.000	0.46***	0.405	0.492	0.520	0.500	-0.11**
Senator	0.301	0.459	0.000	0.000	0.30***	0.271	0.445	0.330	0.471	-0.06
Congressperson	0.281	0.450	0.000	0.000	0.28***	0.326	0.470	0.239	0.427	0.09*
Governor	0.224	0.417	0.000	0.000	0.22***	0.122	0.328	0.318	0.466	-0.20***
Mayor	0.069	0.254	0.000	0.000	0.07***	0.134	0.341	0.009	0.092	0.13***
<i>Director Characteristics</i>										
Independent	0.991	0.094	0.842	0.365	0.15***	0.988	0.110	0.994	0.075	-0.01
Gender	0.274	0.446	0.211	0.408	0.06***	0.293	0.456	0.256	0.437	0.04
ln(Age)	4.202	0.110	4.121	0.130	0.08***	4.219	0.094	4.185	0.122	0.03***
Board Attendance	0.001	0.038	0.003	0.054	-0.00	0.003	0.055	0.000	0.000	0.00
ln(1+tenure)	1.923	0.793	1.944	0.846	-0.02	2.035	0.782	1.819	0.791	0.22***
Other Boards	1.396	1.274	0.968	1.104	0.43***	1.317	1.238	1.469	1.305	-0.15
Ownership	0.000	0.004	0.011	0.664	-0.01***	0.000	0.000	0.001	0.005	-0.00
CEO-Chairman	0.000	0.000	0.058	0.234	-0.06***	0.000	0.000	0.000	0.000	0.00
CEO	0.000	0.000	0.120	0.325	-0.12***	0.000	0.000	0.000	0.000	0.00
Chairman	0.003	0.054	0.095	0.293	-0.09***	0.000	0.000	0.006	0.075	-0.01
Lead Independent Director	0.063	0.244	0.060	0.238	0.00	0.088	0.284	0.040	0.196	0.05*
<i>Educational Attainment</i>										
B.Sc	0.297	0.457	0.254	0.436	0.04*	0.296	0.457	0.298	0.458	-0.00
MBA	0.063	0.244	0.370	0.483	-0.31***	0.000	0.000	0.122	0.328	-0.12***
Ph.D	0.062	0.241	0.097	0.296	-0.04***	0.058	0.234	0.065	0.247	-0.01
Law Degree	0.462	0.499	0.104	0.305	0.36***	0.546	0.499	0.384	0.487	0.16***
Masters Degree	0.071	0.256	0.105	0.307	-0.03***	0.088	0.284	0.054	0.226	0.03
N	680	680	45,944	45,944	46,624	328	328	352	352	680

Table 3: Baseline Results

This table shows regressions on a director's percentage of "for" votes at the annual general meeting. All variable definitions are provided in Appendix 1. Columns (1) and (2) include the full sample. Columns (3) and (4) show estimations during our sample's Obama years (2010-2016), while Columns (5) and (6) show estimations during the Trump years (2017-2020). Heteroskedasticity-robust t-stats based on standard errors clustered by firm x year are provided in parentheses. ***, **, * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

	All Years		Obama		Trump	
	Vote%	Vote%	Vote%	Vote%	Vote%	Vote%
	(1)	(2)	(3)	(4)	(5)	(6)
Political Connection (Elected)	0.0001 (0.035)		0.0025 (1.339)		-0.0056* (-1.920)	
Political Connection (Elected + Appointed) Independent		0.0010 (1.223)		0.0006 (0.541)		0.0014 (1.064)
Female	-0.0050*** (-4.148)	-0.0050*** (-4.156)	0.0071*** (4.883)	0.0071*** (4.900)	-0.0146*** (-7.393)	-0.0147*** (-7.407)
ln(Age)	0.0024 (1.003)	0.0023 (0.969)	0.0052* (1.855)	0.0054* (1.919)	-0.0054 (-1.316)	-0.0058 (-1.421)
Low Meeting Attendance	-0.1410*** (-10.057)	-0.1409*** (-10.058)	-0.1421*** (-8.717)	-0.1421*** (-8.715)	-0.1365*** (-5.122)	-0.1364*** (-5.118)
ln(1+tenure)	-0.0039*** (-3.240)	-0.0039*** (-3.241)	-0.0061*** (-4.038)	-0.0061*** (-4.030)	-0.0018 (-0.940)	-0.0019 (-0.972)
ln(1+tenure)^2	-0.0015*** (-4.965)	-0.0015*** (-4.953)	-0.0007* (-1.812)	-0.0007* (-1.831)	-0.0024*** (-4.920)	-0.0023*** (-4.880)
Other Boards	-0.0058*** (-7.748)	-0.0058*** (-7.751)	-0.0055*** (-17.253)	-0.0055*** (-17.258)	-0.0060*** (-3.715)	-0.0060*** (-3.713)
Ownership	0.0002** (2.562)	0.0002** (2.557)	0.0128 (0.944)	0.0129 (0.952)	0.0003** (2.038)	0.0003** (2.031)
CEO-Chairperson	-0.0167*** (-9.510)	-0.0167*** (-9.507)	-0.0227*** (-12.223)	-0.0227*** (-12.214)	-0.0087*** (-2.663)	-0.0087*** (-2.679)
CEO	-0.0006 (-0.475)	-0.0006 (-0.467)	0.0167*** (10.926)	0.0167*** (10.931)	-0.0122*** (-6.148)	-0.0121*** (-6.114)
Chairperson	0.0002 (0.190)	0.0002 (0.203)	0.0058*** (4.625)	0.0058*** (4.599)	-0.0093*** (-3.744)	-0.0092*** (-3.706)
Lead Independent Director	-0.0073*** (-9.067)	-0.0073*** (-9.057)	-0.0059*** (-5.777)	-0.0059*** (-5.793)	-0.0095*** (-7.375)	-0.0094*** (-7.323)
B.Sc	0.0019** (1.966)	0.0020** (1.971)	0.0014 (1.241)	0.0014 (1.251)	0.0014 (0.746)	0.0014 (0.726)
MBA	0.0010 (1.057)	0.0010 (1.064)	0.0015 (1.356)	0.0014 (1.330)	-0.0009 (-0.456)	-0.0008 (-0.448)
Ph.D	0.0025** (2.382)	0.0024** (2.287)	0.0036*** (2.947)	0.0035*** (2.867)	-0.0007 (-0.340)	-0.0009 (-0.423)
Law Degree	-0.0013 (-1.169)	-0.0014 (-1.280)	-0.0018 (-1.371)	-0.0017 (-1.326)	-0.0014 (-0.723)	-0.0020 (-0.986)
Masters Degree	0.0028*** (2.683)	0.0028*** (2.647)	0.0030*** (2.583)	0.0030** (2.548)	0.0013 (0.632)	0.0012 (0.610)
Constant	0.9799*** (97.610)	0.9803*** (97.663)	0.9563*** (83.188)	0.9557*** (83.245)	1.0249*** (59.384)	1.0266*** (59.587)
Observations	46,624	46,624	27,934	27,934	18,690	18,690
Adjusted R-squared	0.498	0.498	0.546	0.546	0.430	0.430
Firm-Year FE	Y	Y	Y	Y	Y	Y

Table 4: Democrat vs Republican Directors

This table shows regressions on a director's percentage of "for" votes at the annual general meeting. All variable definitions are provided in Appendix 1. Columns (1) and (2) include the full sample. Columns (3) and (4) show estimations during our sample's Obama years (2010-2016), while Columns (5) and (6) show estimations during the Trump years (2017-2020). Heteroskedasticity-robust t-stats based on standard errors clustered by firm x year are provided in parentheses. ***, **, * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

	All years Vote% (1)	Obama Vote% (2)	Trump Vote% (3)
Democrat	0.0020 (0.971)	0.0069*** (2.965)	-0.0083** (-2.178)
Republican	-0.0018 (-0.756)	-0.0014 (-0.523)	-0.0029 (-0.662)
Independent	-0.0050*** (-4.144)	0.0071*** (4.892)	-0.0146*** (-7.394)
Female	0.0027*** (6.110)	0.0012** (2.172)	0.0038*** (5.088)
ln(Age)	0.0024 (0.992)	0.0052* (1.838)	-0.0053 (-1.304)
Low Meeting Attendance	-0.1410*** (-10.059)	-0.1421*** (-8.723)	-0.1365*** (-5.121)
ln(1+tenure)	-0.0039*** (-3.238)	-0.0061*** (-4.041)	-0.0018 (-0.945)
ln(1+tenure)^2	-0.0015*** (-4.968)	-0.0007* (-1.816)	-0.0024*** (-4.907)
Other Boards	-0.0058*** (-7.747)	-0.0055*** (-17.256)	-0.0060*** (-3.714)
Ownership	0.0002** (2.555)	0.0128 (0.950)	0.0003** (2.046)
CEO-Chairperson	-0.0167*** (-9.508)	-0.0227*** (-12.216)	-0.0087*** (-2.661)
CEO	-0.0006 (-0.477)	0.0167*** (10.917)	-0.0122*** (-6.147)
Chairperson	0.0002 (0.194)	0.0058*** (4.630)	-0.0093*** (-3.747)
Lead Independent Director	-0.0073*** (-9.080)	-0.0059*** (-5.792)	-0.0095*** (-7.361)
B.Sc	0.0019* (1.944)	0.0013 (1.204)	0.0015 (0.768)
MBA	0.0010 (1.039)	0.0014 (1.327)	-0.0008 (-0.435)
Ph.D	0.0025** (2.361)	0.0036*** (2.917)	-0.0006 (-0.317)
Law Degree	-0.0013 (-1.212)	-0.0019 (-1.449)	-0.0013 (-0.686)
Masters Degree	0.0028*** (2.659)	0.0030** (2.526)	0.0013 (0.651)
Constant	0.9801*** (97.642)	0.9566*** (83.123)	1.0246*** (59.475)
Observations	46,624	27,934	18,690
Adjusted R-squared	0.498	0.546	0.430
Firm-Year FE	Y	Y	Y

Table 5: Regulated Industries

This table shows regressions on a director's percentage of "for" votes at the annual general meeting. Columns (1) and (2) include the full sample. Columns (3) and (4) show estimations during our sample's Obama years (2010-2016), while Columns (5) and (6) show estimations during the Trump years (2017-2020). Variable definitions are provided in Appendix 1. Heteroskedasticity-robust t-stats based on standard errors clustered by firm x year are provided in parentheses. ***, **, * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

	All Years		Obama		Trump	
	Vote% (1)	Vote% (2)	Vote% (3)	Vote% (4)	Vote% (5)	Vote% (6)
Politically Connected (Elected)	-0.0010 (-0.582)		0.0018 (0.823)		-0.0076** (-2.405)	
Democrat		0.0006 (0.241)		0.0057** (2.139)		-0.0096** (-2.345)
Republican		-0.0025 (-0.982)		-0.0017 (-0.573)		-0.0054 (-1.142)
Politically Connected x Regulated	0.0087*** (2.721)		0.0054 (1.545)		0.0197*** (2.785)	
Democrat x Regulated		0.0120*** (3.584)		0.0082** (2.219)		0.0169*** (2.664)
Republican x Regulated		0.0060 (1.222)		0.0025 (0.492)		0.0204* (1.904)
Independent	-0.0050*** (-4.146)	-0.0050*** (-4.143)	0.0071*** (4.886)	0.0071*** (4.893)	-0.0146*** (-7.393)	-0.0146*** (-7.394)
Female	0.0027*** (6.089)	0.0027*** (6.085)	0.0012** (2.145)	0.0012** (2.165)	0.0038*** (5.044)	0.0038*** (5.060)
ln(Age)	0.0024 (1.003)	0.0024 (0.997)	0.0052* (1.855)	0.0052* (1.842)	-0.0054 (-1.320)	-0.0054 (-1.312)
Low Meeting Attendance	-0.1410*** (-10.057)	-0.1410*** (-10.058)	-0.1421*** (-8.716)	-0.1421*** (-8.721)	-0.1365*** (-5.124)	-0.1365*** (-5.123)
ln(1+tenure)	-0.0039*** (-3.238)	-0.0039*** (-3.235)	-0.0061*** (-4.037)	-0.0061*** (-4.039)	-0.0018 (-0.937)	-0.0018 (-0.941)
ln(1+tenure)^2	-0.0015*** (-4.969)	-0.0015*** (-4.974)	-0.0007* (-1.811)	-0.0007* (-1.817)	-0.0024*** (-4.934)	-0.0024*** (-4.922)
Other Boards	-0.0058*** (-7.748)	-0.0058*** (-7.744)	-0.0055*** (-17.243)	-0.0055*** (-17.254)	-0.0060*** (-3.715)	-0.0060*** (-3.713)
Ownership	0.0002** (2.560)	0.0002** (2.554)	0.0127 (0.942)	0.0128 (0.947)	0.0003** (2.035)	0.0003** (2.041)
CEO-Chairperson	-0.0167*** (-9.511)	-0.0167*** (-9.513)	-0.0227*** (-12.229)	-0.0227*** (-12.227)	-0.0086*** (-2.654)	-0.0086*** (-2.653)
CEO	-0.0006 (-0.476)	-0.0006 (-0.478)	0.0167*** (10.933)	0.0167*** (10.924)	-0.0122*** (-6.159)	-0.0122*** (-6.158)
Chairperson	0.0002 (0.193)	0.0002 (0.201)	0.0058*** (4.627)	0.0059*** (4.638)	-0.0093*** (-3.746)	-0.0093*** (-3.749)
Lead Independent Director	-0.0073*** (-9.059)	-0.0073*** (-9.073)	-0.0059*** (-5.772)	-0.0059*** (-5.787)	-0.0095*** (-7.367)	-0.0095*** (-7.354)
B.Sc	0.0019* (1.958)	0.0019* (1.947)	0.0014 (1.239)	0.0013 (1.212)	0.0014 (0.726)	0.0014 (0.744)
MBA	0.0010 (1.054)	0.0010 (1.040)	0.0015 (1.352)	0.0014 (1.329)	-0.0009 (-0.457)	-0.0008 (-0.441)
Ph.D	0.0025** (2.406)	0.0025** (2.393)	0.0036*** (2.965)	0.0036*** (2.940)	-0.0007 (-0.331)	-0.0006 (-0.315)
Law Degree	-0.0013 (-1.180)	-0.0013 (-1.231)	-0.0018 (-1.383)	-0.0019 (-1.465)	-0.0014 (-0.713)	-0.0013 (-0.678)
Masters Degree	0.0028*** (2.685)	0.0028*** (2.664)	0.0030*** (2.584)	0.0030** (2.530)	0.0013 (0.634)	0.0013 (0.650)
Constant	0.9799*** (97.606)	0.9800*** (97.619)	0.9563*** (83.181)	0.9565*** (83.112)	1.0250*** (59.377)	1.0248*** (59.475)
Observations	46,624	46,624	27,934	27,934	18,690	18,690
Adjusted R-squared	0.498	0.498	0.546	0.546	0.430	0.430
Firm-Year FE	Y	Y	Y	Y	Y	Y

Table 6: Procurement Intensive Industries

This table shows regressions on a director's percentage of "for" votes at the annual general meeting. Columns (1) and (2) include the full sample. Columns (3) and (4) show estimations during our sample's Obama years (2010-2016), while Columns (5) and (6) show estimations during the Trump years (2017-2020). Variable definitions are provided in Appendix 1. All models include Firm x Year fixed effects. Heteroskedasticity-robust t-stats based on standard errors clustered by firm x year are provided in parentheses. ***, **, * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

	All Years		Obama		Trump	
	Vote%	Vote%	Vote%	Vote%	Vote%	Vote%
	(1)	(2)	(3)	(4)	(5)	(6)
Politically Connected (Elected)	-0.0004 (-0.197)		0.0016 (0.661)		-0.0048 (-1.330)	
Democrat		0.0045* (1.864)		0.0088*** (3.238)		-0.0038 (-0.854)
Republican		-0.0053* (-1.732)		-0.0051 (-1.409)		-0.0060 (-1.047)
Pol. Connected x Procurement	0.0016 (0.493)		0.0031 (0.869)		-0.0028 (-0.456)	
Democrat x Procurement		-0.0096** (-2.039)		-0.0068 (-1.282)		-0.0196*** (-2.693)
Republican x Procurement		0.0115*** (2.693)		0.0122*** (2.592)		0.0094 (1.071)
Independent	-0.0050*** (-4.149)	-0.0050*** (-4.137)	0.0071*** (4.882)	0.0071*** (4.897)	-0.0146*** (-7.392)	-0.0146*** (-7.393)
Female	0.0027*** (6.115)	0.0028*** (6.122)	0.0012** (2.155)	0.0012** (2.173)	0.0038*** (5.065)	0.0038*** (5.100)
ln(Age)	0.0024 (1.008)	0.0025 (1.015)	0.0052* (1.862)	0.0052* (1.866)	-0.0054 (-1.324)	-0.0054 (-1.309)
Low Meeting Attendance	-0.1410*** (-10.057)	-0.1410*** (-10.063)	-0.1421*** (-8.716)	-0.1421*** (-8.725)	-0.1365*** (-5.121)	-0.1365*** (-5.124)
ln(1+tenure)	-0.0039*** (-3.240)	-0.0039*** (-3.242)	-0.0061*** (-4.040)	-0.0061*** (-4.041)	-0.0018 (-0.943)	-0.0019 (-0.963)
ln(1+tenure)^2	-0.0015*** (-4.967)	-0.0015*** (-4.961)	-0.0007* (-1.811)	-0.0007* (-1.812)	-0.0024*** (-4.922)	-0.0023*** (-4.895)
Other Boards	-0.0058*** (-7.744)	-0.0058*** (-7.743)	-0.0055*** (-17.246)	-0.0055*** (-17.277)	-0.0060*** (-3.713)	-0.0060*** (-3.711)
Ownership	0.0002** (2.562)	0.0002** (2.556)	0.0128 (0.944)	0.0128 (0.951)	0.0003** (2.038)	0.0003** (2.043)
CEO-Chairperson	-0.0167*** (-9.505)	-0.0167*** (-9.493)	-0.0227*** (-12.213)	-0.0227*** (-12.189)	-0.0087*** (-2.664)	-0.0087*** (-2.667)
CEO	-0.0006 (-0.476)	-0.0006 (-0.475)	0.0167*** (10.921)	0.0167*** (10.916)	-0.0122*** (-6.149)	-0.0122*** (-6.147)
Chairperson	0.0002 (0.189)	0.0002 (0.187)	0.0058*** (4.621)	0.0058*** (4.613)	-0.0093*** (-3.744)	-0.0092*** (-3.744)
Lead Independent Director	-0.0073*** (-9.072)	-0.0073*** (-9.071)	-0.0059*** (-5.786)	-0.0060*** (-5.806)	-0.0095*** (-7.371)	-0.0094*** (-7.309)
B.Sc	0.0019** (1.963)	0.0019* (1.925)	0.0014 (1.234)	0.0013 (1.189)	0.0014 (0.747)	0.0014 (0.753)
MBA	0.0010 (1.057)	0.0010 (1.026)	0.0015 (1.356)	0.0014 (1.328)	-0.0009 (-0.455)	-0.0009 (-0.456)
Ph.D	0.0025** (2.382)	0.0025** (2.339)	0.0036*** (2.946)	0.0035*** (2.911)	-0.0007 (-0.344)	-0.0007 (-0.356)
Law Degree	-0.0013 (-1.165)	-0.0014 (-1.257)	-0.0018 (-1.358)	-0.0019 (-1.466)	-0.0014 (-0.721)	-0.0014 (-0.722)
Masters Degree	0.0028*** (2.680)	0.0028*** (2.645)	0.0030*** (2.578)	0.0030** (2.518)	0.0013 (0.632)	0.0013 (0.637)
Constant	0.9799*** (97.637)	0.9798*** (97.622)	0.9563*** (83.186)	0.9563*** (83.103)	1.0250*** (59.452)	1.0248*** (59.533)
Observations	46,624	46,624	27,934	27,934	18,690	18,690
Adjusted R-squared	0.498	0.498	0.546	0.546	0.430	0.430
Firm-Year FE	Y	Y	Y	Y	Y	Y

Table 7: Political Uncertainty

This table shows regressions on a director's percentage of "for" votes at the annual general meeting. All variable definitions are provided in Appendix 1. All models include Firm x Year fixed effects. Heteroskedasticity-robust t-stats based on standard errors clustered by firm x year are provided in parentheses. ***, **, * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

	All Years		Obama		Trump	
	Vote%	Vote%	Vote%	Vote%	Vote%	Vote%
	(1)	(2)	(3)	(4)	(5)	(6)
Politically Connected	-0.0001 (-0.020)		0.0002 (0.039)		0.0138 (0.704)	
Democrat		0.0041 (0.537)		0.0064 (0.803)		0.0272 (1.150)
Republican		-0.0035 (-0.428)		-0.0039 (-0.462)		0.0002 (0.005)
Politically Connected x EPU	0.0000 (0.031)		0.0000 (0.398)		-0.0001 (-0.969)	
Democrat x EPU		-0.0000 (-0.288)		0.0000 (0.074)		-0.0003 (-1.521)
Republican x EPU		0.0000 (0.215)		0.0000 (0.307)		-0.0000 (-0.095)
Independent	-0.0050*** (-4.148)	-0.0050*** (-4.144)	0.0071*** (4.883)	0.0071*** (4.892)	-0.0146*** (-7.396)	-0.0146*** (-7.396)
Female	0.0028*** (6.119)	0.0027*** (6.108)	0.0012** (2.167)	0.0012** (2.172)	0.0038*** (5.068)	0.0038*** (5.090)
ln(Age)	0.0024 (1.003)	0.0024 (0.992)	0.0052* (1.857)	0.0052* (1.839)	-0.0054 (-1.322)	-0.0054 (-1.307)
Low Meeting Attendance	-0.1410*** (-10.057)	-0.1410*** (-10.058)	-0.1421*** (-8.717)	-0.1421*** (-8.723)	-0.1365*** (-5.123)	-0.1365*** (-5.119)
ln(1+tenure)	-0.0039*** (-3.240)	-0.0039*** (-3.238)	-0.0061*** (-4.039)	-0.0061*** (-4.043)	-0.0018 (-0.937)	-0.0018 (-0.932)
ln(1+tenure)^2	-0.0015*** (-4.965)	-0.0015*** (-4.968)	-0.0007* (-1.811)	-0.0007* (-1.815)	-0.0024*** (-4.920)	-0.0024*** (-4.912)
Other Boards	-0.0058*** (-7.747)	-0.0058*** (-7.746)	-0.0055*** (-17.256)	-0.0055*** (-17.251)	-0.0060*** (-3.715)	-0.0060*** (-3.714)
Ownership	0.0002** (2.562)	0.0002** (2.555)	0.0127 (0.944)	0.0128 (0.949)	0.0003** (2.038)	0.0003** (2.045)
CEO-Chairperson	-0.0167*** (-9.508)	-0.0167*** (-9.508)	-0.0227*** (-12.219)	-0.0227*** (-12.213)	-0.0087*** (-2.662)	-0.0087*** (-2.665)
CEO	-0.0006 (-0.475)	-0.0006 (-0.477)	0.0167*** (10.925)	0.0167*** (10.917)	-0.0122*** (-6.149)	-0.0122*** (-6.145)
Chairperson	0.0002 (0.190)	0.0002 (0.194)	0.0058*** (4.623)	0.0058*** (4.628)	-0.0093*** (-3.746)	-0.0093*** (-3.746)
Lead Independent Director	-0.0073*** (-9.067)	-0.0073*** (-9.081)	-0.0059*** (-5.772)	-0.0059*** (-5.789)	-0.0095*** (-7.381)	-0.0095*** (-7.374)
B.Sc	0.0019** (1.965)	0.0019* (1.941)	0.0014 (1.238)	0.0013 (1.199)	0.0014 (0.750)	0.0015 (0.771)
MBA	0.0010 (1.057)	0.0010 (1.036)	0.0015 (1.353)	0.0014 (1.323)	-0.0008 (-0.454)	-0.0008 (-0.438)
Ph.D	0.0025** (2.381)	0.0025** (2.358)	0.0036*** (2.943)	0.0036*** (2.912)	-0.0007 (-0.339)	-0.0006 (-0.320)
Law Degree	-0.0013 (-1.168)	-0.0013 (-1.216)	-0.0018 (-1.374)	-0.0019 (-1.453)	-0.0014 (-0.722)	-0.0013 (-0.692)
Masters Degree	0.0028*** (2.681)	0.0028*** (2.657)	0.0030*** (2.580)	0.0030** (2.522)	0.0013 (0.635)	0.0013 (0.652)
Constant	0.9799*** (97.605)	0.9801*** (97.637)	0.9563*** (83.179)	0.9566*** (83.110)	1.0250*** (59.394)	1.0247*** (59.483)
Observations	46,624	46,624	27,934	27,934	18,690	18,690
Adjusted R-squared	0.498	0.498	0.546	0.546	0.430	0.430
Firm-Year FE	Y	Y	Y	Y	Y	Y

Table 8: Endogenizing Political Directors

This table shows the 2nd stage of a 2SLS regression on a director's Excess Vote %. The endogenous variables are political connection, Democrat and Republican in columns (1), (2) and (3) respectively. The excluded instruments from the first stage regressions are the proportion of politically connected, Democrat and Republican directors within the same NAICS 2-digit industry year in columns (1), (2) and (3) respectively. All variables are defined in Appendix 1. Heteroskedasticity-robust t-stats based on standard errors clustered by industry are provided in parentheses. ***, **, * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

	All Years			Obama			Trump	
	Vote%	Vote%	Vote%	Vote%	Vote%	Vote%	Vote%	Vote%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Politically Connected	0.0007 (0.395)			0.0217** (2.560)			-0.0395** (-2.239)	
Democrat		0.0098 (0.540)			0.0392* (1.806)			-0.0521*** (-3.934)
Republican			0.0022 (0.180)			0.0105 (0.775)		-0.0403 (-1.519)
Observations	46,624	46,624	46,624	27,934	27,934	27,934	18,690	18,690
Adjusted R-squared	0.091	0.091	0.091	0.083	0.081	0.086	0.102	0.104
First stage F-value	4023.36	5587.52	4481.16	3826.45	3102.04	6193.58	2183.80	6416.41
Controls	Y	Y	Y	Y	Y	Y	Y	Y
Industry FE	Y	Y	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y	Y	Y

Table 9 : Entropy Balanced Sample

This table shows regressions on a director's percentage of "for" votes at the annual general meeting using an entropy balanced sample. We balance the sample on political connections, Democrat and Republican in columns (1), (2) and (3), respectively. All variable definitions are provided in Appendix 1. All models include Firm x Year fixed effects. Heteroskedasticity-robust t-stats based on standard errors clustered by firm x year are provided in parentheses. ***, **, * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

	All Years		Obama		Trump	
	Vote% (1)	Vote% (2)	Vote% (3)	Vote% (4)	Vote% (5)	Vote% (6)
Political Connection (Elected)	-0.0010 (-0.547)		0.0052** (2.209)		-0.0067* (-1.814)	
Democrat		0.0007 (0.352)		0.0075*** (2.797)		-0.0056* (-1.695)
Republican		-0.0025 (-1.077)		0.0033 (1.179)		-0.0079 (-1.459)
Independent	-0.0069*** (-2.776)	-0.0069*** (-2.769)	0.0089** (2.491)	0.0087** (2.426)	-0.0229*** (-5.207)	-0.0228*** (-5.169)
Female	0.0012 (1.234)	0.0012 (1.171)	-0.0016 (-1.289)	-0.0016 (-1.304)	0.0064*** (4.304)	0.0063*** (4.397)
ln(Age)	-0.0064 (-1.111)	-0.0066 (-1.156)	-0.0104 (-0.989)	-0.0109 (-1.045)	-0.0077 (-0.924)	-0.0077 (-0.921)
Low Meeting Attendance	-0.1465*** (-6.174)	-0.1466*** (-6.186)	-0.1323*** (-5.163)	-0.1325*** (-5.189)	-0.1916*** (-4.049)	-0.1915*** (-4.047)
ln(1+tenure)	0.0010 (0.383)	0.0010 (0.389)	-0.0027 (-0.799)	-0.0028 (-0.810)	0.0052 (1.338)	0.0052 (1.349)
ln(1+tenure)^2	-0.0035*** (-4.886)	-0.0035*** (-4.910)	-0.0020** (-2.405)	-0.0021** (-2.431)	-0.0052*** (-4.373)	-0.0052*** (-4.375)
Other Boards	-0.0064*** (-7.399)	-0.0064*** (-7.416)	-0.0075*** (-9.112)	-0.0076*** (-9.243)	-0.0080*** (-5.054)	-0.0080*** (-5.186)
Ownership	-0.0000 (-0.145)	-0.0000 (-0.193)	-0.0657*** (-2.665)	-0.0644*** (-2.623)	-0.0001 (-0.671)	-0.0001 (-0.685)
CEO-Chairperson	0.0400 (1.185)	0.0397 (1.179)	-0.0168*** (-3.619)	-0.0169*** (-3.656)	0.0718** (2.071)	0.0716** (2.066)
CEO	-0.0182*** (-6.151)	-0.0182*** (-6.156)	0.0131*** (2.949)	0.0128*** (2.890)	-0.0209*** (-6.190)	-0.0208*** (-6.177)
Chairperson	-0.0551* (-1.672)	-0.0548* (-1.666)	0.0078** (2.328)	0.0080** (2.401)	-0.0816** (-2.403)	-0.0814** (-2.398)
Lead Independent Director	-0.0028** (-2.169)	-0.0028** (-2.186)	-0.0007 (-0.374)	-0.0007 (-0.362)	-0.0058*** (-2.922)	-0.0059*** (-2.937)
B.Sc	-0.0081* (-1.949)	-0.0083** (-1.984)	-0.0056 (-1.259)	-0.0058 (-1.301)	-0.0123 (-1.481)	-0.0126 (-1.479)
MBA	-0.0097** (-2.290)	-0.0097** (-2.278)	-0.0050 (-0.993)	-0.0047 (-0.943)	-0.0153* (-1.843)	-0.0155* (-1.836)
Ph.D	-0.0087** (-2.003)	-0.0087** (-2.008)	-0.0062 (-1.270)	-0.0060 (-1.237)	-0.0161* (-1.857)	-0.0164* (-1.843)
Law Degree	-0.0113** (-2.446)	-0.0116** (-2.485)	-0.0074 (-1.532)	-0.0078 (-1.604)	-0.0170* (-1.811)	-0.0173* (-1.798)
Masters Degree	-0.0074* (-1.763)	-0.0077* (-1.804)	-0.0034 (-0.750)	-0.0036 (-0.803)	-0.0137 (-1.606)	-0.0138 (-1.602)
Constant	1.0266*** (43.362)	1.0280*** (43.345)	1.0231*** (23.580)	1.0261*** (23.653)	1.0559*** (30.422)	1.0560*** (30.387)
Observations	46,624	46,624	27,934	27,934	18,690	18,690
Adjusted R-squared	0.812	0.812	0.815	0.815	0.812	0.812
Firm-Year FE	Y	Y	Y	Y	Y	Y

Table 10 : Rookie Directors

This table shows regressions on a director's percentage of "for" votes at the annual general meeting on a sample of rookie directors. All variable definitions are provided in Appendix 1. All models include Firm x Year fixed effects. Heteroskedasticity-robust t-stats based on standard errors clustered by firm x year are provided in parentheses. ***, **, * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

	All Years		Obama		Trump	
	Vote%	Vote%	Vote%	Vote%	Vote%	Vote%
	(1)	(2)	(3)	(4)	(5)	(6)
Political Connection (Elected)	0.0035 (0.671)		0.0029 (0.803)		0.0073 (0.378)	
Democrat		-0.0041 (-0.642)		-0.0058 (-1.454)		-0.0101 (-1.211)
Republican		0.0083 (1.286)		0.0044 (1.118)		0.0662 (1.443)
Independent	0.0029 (0.539)	0.0028 (0.529)	0.0041 (0.461)	0.0040 (0.457)	0.0080 (0.864)	0.0084 (0.911)
Female	0.0085 (1.454)	0.0085 (1.449)	0.0058 (1.486)	0.0058 (1.477)	0.0070 (0.910)	0.0073 (0.929)
ln(Age)	0.0155 (1.598)	0.0154 (1.582)	0.0212* (1.764)	0.0212* (1.763)	-0.0081 (-0.378)	-0.0101 (-0.454)
Other Boards	-0.0077*** (-4.980)	-0.0077*** (-4.985)	-0.0064*** (-3.352)	-0.0064*** (-3.351)	-0.0082*** (-2.731)	-0.0085*** (-2.916)
Ownership	-0.1762 (-1.194)	-0.1760 (-1.192)	-0.1637 (-0.947)	-0.1637 (-0.945)	-0.1928 (-0.867)	-0.1872 (-0.849)
CEO-Chairperson	-0.0147 (-0.989)	-0.0150 (-1.010)	-0.0169 (-1.230)	-0.0169 (-1.229)	-0.0166 (-0.767)	-0.0170 (-0.778)
CEO	0.0015 (0.303)	0.0013 (0.272)	0.0116 (1.137)	0.0116 (1.134)	-0.0056 (-0.717)	-0.0059 (-0.749)
Chairperson	-0.0097 (-1.151)	-0.0096 (-1.143)	-0.0151 (-1.394)	-0.0151 (-1.392)	0.0017 (0.109)	0.0016 (0.105)
Lead Independent Director	-0.0255*** (-2.923)	-0.0256*** (-2.939)	-0.0325** (-2.362)	-0.0325** (-2.358)	-0.0051 (-0.506)	-0.0060 (-0.596)
B.Sc	0.0297 (1.030)	0.0297 (1.027)	-0.0048 (-1.474)	-0.0048 (-1.479)	0.1141 (1.258)	0.1133 (1.258)
MBA	0.0360 (1.248)	0.0360 (1.245)	0.0046 (1.312)	0.0045 (1.297)	0.1135 (1.282)	0.1131 (1.283)
Ph.D	0.0520 (1.147)	0.0520 (1.147)	0.0043 (1.296)	0.0042 (1.290)	0.1572 (1.268)	0.1587 (1.274)
Law Degree	0.0281 (1.023)	0.0284 (1.033)	-0.0001 (-0.032)	0.0001 (0.017)	0.1068 (1.190)	0.1078 (1.196)
Masters Degree	0.0405 (1.392)	0.0405 (1.390)	0.0121** (2.100)	0.0121** (2.099)	0.1152 (1.264)	0.1146 (1.265)
Constant	0.8858*** (17.487)	0.8865*** (17.492)	0.8919*** (17.523)	0.8919*** (17.508)	0.8992*** (11.093)	0.9075*** (11.400)
Observations	1,035	1,035	583	583	452	452
Adjusted R-squared	0.325	0.324	0.452	0.450	0.329	0.329
Firm-Year FE	Y	Y	Y	Y	Y	Y

Table 11: Including firm- and board- level controls

This table shows regressions on a director's percentage of "for" votes at the annual general meeting. All variable definitions are provided in Appendix 1. All models include Firm and Year fixed effects to allow for time-varying board and firm characteristics in the models. Heteroskedasticity-robust t-stats based on standard errors clustered by firm x year are provided in parentheses. ***, **, * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

	All Years		Obama		Trump	
	Vote%	Vote%	Vote%	Vote%	Vote%	Vote%
	(1)	(2)	(3)	(4)	(5)	(6)
Politically Connected	-0.0006 (-0.304)		0.0019 (0.863)		-0.0060** (-1.978)	
Democrat		0.0037 (1.355)		0.0084*** (3.677)		-0.0087** (-2.214)
Republican		-0.0046 (-1.665)		-0.0039 (-1.117)		-0.0032 (-0.711)
Independent	-0.0040 (-0.839)	-0.0040 (-0.837)	0.0082*** (4.938)	0.0082*** (4.943)	-0.0143*** (-7.072)	-0.0143*** (-7.073)
Female	0.0033*** (5.178)	0.0033*** (5.171)	0.0021*** (3.608)	0.0021*** (3.620)	0.0038*** (4.885)	0.0038*** (4.905)
ln(Age)	0.0013 (0.699)	0.0012 (0.668)	0.0033 (1.090)	0.0032 (1.066)	-0.0060 (-1.439)	-0.0059 (-1.427)
Low Meeting Attendance	-0.1409*** (-11.704)	-0.1409*** (-11.711)	-0.1365*** (-8.405)	-0.1366*** (-8.411)	-0.1443*** (-5.233)	-0.1443*** (-5.232)
ln(1+tenure)	-0.0022 (-1.087)	-0.0022 (-1.084)	-0.0046*** (-3.330)	-0.0046*** (-3.339)	-0.0018 (-0.974)	-0.0018 (-0.980)
ln(1+tenure)^2	-0.0020*** (-3.850)	-0.0020*** (-3.852)	-0.0012*** (-3.236)	-0.0012*** (-3.234)	-0.0024*** (-5.235)	-0.0024*** (-5.221)
Other Boards	-0.0058*** (-8.506)	-0.0058*** (-8.501)	-0.0056*** (-16.063)	-0.0056*** (-16.048)	-0.0058*** (-3.600)	-0.0058*** (-3.600)
Ownership	0.0001 (1.052)	0.0001 (1.046)	0.0241* (1.671)	0.0243* (1.680)	0.0003** (2.028)	0.0003** (2.035)
CEO-Chairperson	-0.0156*** (-4.900)	-0.0156*** (-4.901)	-0.0221*** (-10.541)	-0.0221*** (-10.531)	-0.0085** (-2.513)	-0.0085** (-2.511)
CEO	-0.0007 (-0.121)	-0.0007 (-0.123)	0.0178*** (9.865)	0.0178*** (9.857)	-0.0127*** (-6.426)	-0.0127*** (-6.424)
Chairperson	0.0005 (0.184)	0.0005 (0.187)	0.0064*** (4.612)	0.0064*** (4.617)	-0.0087*** (-3.307)	-0.0087*** (-3.310)
Lead Independent Director	-0.0068*** (-6.778)	-0.0069*** (-6.787)	-0.0052*** (-4.361)	-0.0052*** (-4.375)	-0.0091*** (-6.911)	-0.0091*** (-6.895)
B.Sc	0.0030** (2.678)	0.0030** (2.659)	0.0020 (1.556)	0.0019 (1.505)	0.0014 (0.737)	0.0014 (0.758)
MBA	0.0021 (1.694)	0.0020 (1.674)	0.0019 (1.609)	0.0019 (1.565)	-0.0006 (-0.329)	-0.0006 (-0.308)
Ph.D	0.0030** (2.368)	0.0029** (2.352)	0.0038*** (2.915)	0.0038*** (2.869)	-0.0007 (-0.358)	-0.0007 (-0.335)
Law Degree	-0.0008 (-0.573)	-0.0009 (-0.652)	-0.0017 (-1.149)	-0.0018 (-1.254)	-0.0016 (-0.791)	-0.0015 (-0.754)
Masters Degree	0.0039*** (3.639)	0.0038*** (3.625)	0.0034** (2.531)	0.0033** (2.447)	0.0014 (0.687)	0.0014 (0.706)
Firm Size	-0.0132*** (-5.689)	-0.0132*** (-5.701)	-0.0132*** (-4.148)	-0.0132*** (-4.145)	-0.0031 (-1.261)	-0.0031 (-1.259)
ROE	-0.0000 (-0.127)	-0.0000 (-0.124)	0.0000 (0.148)	0.0000 (0.149)	0.0000 (0.380)	0.0000 (0.378)
Leverage	-0.0068* (-1.830)	-0.0068* (-1.841)	-0.0125 (-1.533)	-0.0125 (-1.539)	0.0112 (1.404)	0.0113 (1.411)
Tobin's-Q	0.0004 (1.033)	0.0004 (1.046)	0.0027** (2.179)	0.0027** (2.186)	-0.0002 (-0.252)	-0.0002 (-0.260)
Board Size	0.0006* (2.137)	0.0006* (2.132)	0.0010** (2.282)	0.0010** (2.284)	0.0013* (1.795)	0.0013* (1.795)
#Politically Connected	0.0010 (0.408)	0.0009 (0.404)	-0.0036 (-1.379)	-0.0036 (-1.382)	0.0074* (1.923)	0.0074* (1.938)
Constant	1.1114*** (39.069)	1.1118*** (39.159)	1.0869*** (31.611)	1.0871*** (31.607)	1.0355*** (32.066)	1.0352*** (32.094)

Observations	46,624	46,624	27,934	27,934	18,690	18,690
Adjusted R-squared	0.281	0.281	0.318	0.318	0.356	0.356
Firm FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y

Appendix 1: Variable Definitions

<i>Variables</i>	<i>Definitions</i>
<u><i>Dependent Variables</i></u>	
Vote %	Director's percentage of "for" votes.
Excess Vote %	A director's percentage of "for" votes de-measured at the firm-year level.
<u><i>Political Connections</i></u>	
Politically Connected (Elected)	Indicator variable that takes the value of one if the director is defined as an elected politically connected director.
Politically Connected (Elected + Appointed)	Indicator variable taking the value of one if the director has been or is either an elected or appointed politician.
Democrat	Indicator variable that takes the value of one if the director is affiliated to the Democratic party.
Republican	Indicator variable that takes the value of one if the director is affiliated to the Republican party.
Secretary of State	Indicator variable that takes the value of one if the director is affiliated to the Republican party.
Senator	Indicator variable that takes the value of one if the director has held a seat in the senate.
Congressperson	Indicator variable that takes the value of one if the director has held a seat in the congress.
Governor	Indicator variable that takes the value of one if the director served as a governor.
Mayor	Indicator variable that takes the value of one if the director served as a mayor or deputy-mayor.
<u><i>Director Characteristics</i></u>	
Independent	Dummy variable that equals 1 if the director is an outside director, and 0 otherwise.
Female	Dummy variable that equals 1 if the director is a woman, and 0 otherwise.
Ln (Age)	The natural logarithm of the board member's age.
Low Meeting Attendance	Dummy variable that equals 1 if the director attended less than 75% of board meetings during the previous year, and 0 otherwise.
Ln (1+Director tenure)	The natural logarithm of 1 plus the number of years that the director has served on the board.
Other Boards	Number of other outside public board seats that a director holds.
Ownership	Number of shares that the director holds divided by the number of shares outstanding.
CEO-Chairperson	Indicator that takes the value of one if the director holds dual positions within the firm (CEO and Chairperson).
CEO	Indicator that takes the value of one if the director is the CEO of the firm.
Chairperson	Indicator that takes the value of one if the director is the Chairperson of the firm.
Lead Independent Director	Indicator that takes the value of one if the director is the lead independent director of the firm.

Educational Attainment

B.Sc	Indicator that takes the value of one if the director's highest educational attainment is a bachelor's degree.
MBA	Indicator that takes the value of one if the director's highest educational attainment is an MBA degree.
Ph.D	Indicator that takes the value of one if the director's highest educational attainment is a Ph.D. degree.
Law Degree	Indicator that takes the value of one if the director's highest educational attainment is a Law degree.
Master's Degree	Indicator that takes the value of one if the director's highest educational attainment is a Master's degree.

Interaction Variables

Regulated	Indicator that takes the value of one if the firm belongs to one of the five most regulated 3-digit NAICS industries according to RegHub during a given year.
Procurement	Indicator that takes the value of one if the firm belongs to one of the five most procurement intensive 2-digit NAICS industries according to fdps.gov during a given year.
EPU	The Baker et al., (2016) U.S. policy uncertainty index.

Firm and Board Characteristics

ROE	Return on Equity measured as Net Income (NI) scaled by Total Assets (AT)
Leverage	Financial leverage measured as Total Assets (AT) – Book Value of Equity (CEQ) scaled by Total Assets (AT)
Firm Size	Measured as the natural logarithm of Revenues (SALE)
Tobins-Q	Measured as the Market Value of Asset scaled by the Book value Assets calculated by [Total Assets (AT) + Market Value of Equity (CSHO*PRCC_F) – Book Value of Equity (CEQ)]/Total Assets (AT)
Board Size	Number of board members
#Politically Connected	Number of politically connected board members

Appendix 2: Political Connections during the Trump years

This table shows regressions on a director's percentage of "for" votes at the annual general meeting for the years, 2017-2018, 2019-2020, 2019 and 2020, respectively. All variable definitions are provided in Appendix 1. All models include Firm x Year fixed effects. Heteroskedasticity-robust t-stats based on standard errors clustered by firm x year are provided in parentheses. ***, **, * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

	2017-2018		2019-2020		2019		2020	
	Vote%	Vote%	Vote%	Vote%	Vote%	Vote%	Vote%	Vote%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Politically Connected	-0.0019 (-0.533)		-0.0096** (-2.105)		-0.0117 (-1.506)		-0.0082* (-1.705)	
Democrat		-0.0015 (-0.302)		-0.0163*** (-2.992)		-0.0151* (-1.935)		-0.0184** (-2.480)
Republican		-0.0024 (-0.452)		-0.0033 (-0.461)		-0.0083 (-0.619)		0.0011 (0.210)
Constant	0.9943*** (52.690)	0.9944*** (52.877)	1.0614*** (39.107)	1.0607*** (39.131)	1.0911*** (26.594)	1.0907*** (26.635)	1.0235*** (32.624)	1.0225*** (32.644)
Observations	9,156	9,156	9,534	9,534	4,741	4,741	4,793	4,793
Adjusted R-squared	0.423	0.423	0.442	0.442	0.464	0.464	0.433	0.434
Controls	Y	Y	Y	Y	Y	Y	Y	Y
Firm-Year FE	Y	Y	Y	Y	Y	Y	Y	Y

Appendix 3: Regulated industries and the impact of Law Degrees

This table shows regressions on a director's percentage of "for" votes at the annual general meeting based on a subsample of regulated industries. All variable definitions are provided in Appendix 1. All models include Firm x Year fixed effects. Heteroskedasticity-robust t-stats based on standard errors clustered by firm x year are provided in parentheses. ***, **, * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

	Vote% (1)	Vote% (2)
Political Connection (Elected)	0.0044 (0.876)	
Democrat		0.0083** (2.079)
Republican		0.0038 (0.666)
Law Degree	-0.0040 (-1.436)	-0.0040 (-1.433)
Political Connection x Law Degree	0.0092 (1.568)	
Democrat x Law Degree		0.0095* (1.821)
Republican x Law Degree		-0.0012 (-0.169)
Independent	-0.0091*** (-2.723)	-0.0091*** (-2.723)
Female	0.0038*** (4.551)	0.0040*** (4.647)
ln(Age)	-0.0037 (-0.826)	-0.0034 (-0.767)
Low Meeting Attendance	-0.0483*** (-3.821)	-0.0484*** (-3.821)
ln(1+tenure)	0.0005 (0.196)	0.0006 (0.231)
ln(1+tenure)^2	-0.0024*** (-3.482)	-0.0024*** (-3.525)
Other Boards	-0.0075*** (-13.091)	-0.0075*** (-13.134)
Ownership	0.2675*** (2.630)	0.2676*** (2.632)
CEO-Chairperson	-0.0197*** (-4.110)	-0.0197*** (-4.117)
CEO	-0.0078** (-2.291)	-0.0078** (-2.287)
Chairperson	-0.0023 (-0.699)	-0.0022 (-0.684)
Lead Independent Director	-0.0069*** (-3.526)	-0.0069*** (-3.522)
B.Sc	0.0037* (1.746)	0.0037* (1.760)
MBA	0.0023 (1.175)	0.0023 (1.195)
Ph.D	0.0035* (1.676)	0.0034* (1.667)
Masters Degree	0.0040* (1.849)	0.0039* (1.830)
Constant	1.0089*** (55.835)	1.0078*** (55.728)
Observations	6,419	6,419
Adjusted R-squared	0.429	0.429
Firm-Year FE	Y	Y

Appendix 4: Post-balanced Samples

This table shows the means and variance of the post-entropy balanced samples. The treatment groups are Politically Connected, Politically Connected during Obama and Politically Connected during Trump.

	Politically Connected				Politically Connected (Obama)				Politically Connected (Trump)			
	Treatment		Control		Treatment		Control		Treatment		Control	
	Mean	Variance	Mean	Variance	Mean	Variance	Mean	Variance	Mean	Variance	Mean	Variance
Independent	0.991	0.009	0.991	0.009	0.991	0.009	0.991	0.009	0.991	0.009	0.990	0.010
Female	0.274	0.199	0.274	0.199	0.274	0.199	0.274	0.199	0.300	0.211	0.300	0.210
ln(Age)	4.202	0.012	4.201	0.012	4.202	0.012	4.201	0.012	4.204	0.014	4.203	0.014
Low Meeting Attendance	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.000	0.000	0.000	0.000
ln(1+tenure)	1.923	0.629	1.923	0.629	1.923	0.629	1.923	0.629	1.962	0.635	1.962	0.636
Other Boards	1.396	1.624	1.395	1.624	1.396	1.624	1.395	1.624	1.198	1.363	1.198	1.366
Chairperson	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.009	0.009	0.010	0.010
Lead Independent Director	0.063	0.059	0.063	0.059	0.063	0.059	0.063	0.059	0.055	0.052	0.055	0.052
B.Sc	0.297	0.209	0.297	0.209	0.297	0.209	0.297	0.209	0.309	0.214	0.309	0.214
MBA	0.063	0.059	0.063	0.059	0.063	0.059	0.063	0.059	0.046	0.044	0.046	0.044
Ph.D	0.062	0.058	0.062	0.058	0.062	0.058	0.062	0.058	0.032	0.031	0.032	0.031
Law Degree	0.462	0.249	0.462	0.249	0.462	0.249	0.462	0.249	0.535	0.250	0.534	0.249
Master's Degree	0.071	0.066	0.071	0.066	0.071	0.066	0.071	0.066	0.037	0.036	0.037	0.036

Internet Appendix 1: Politically Connected Directors

	Name	Position	Party affiliation	Firms
1	William M. Daley	US Secretary of Commerce	Democratic	ABBOTT LABORATORIES
2	Samuel W. Bodman III	US Secretary of Energy	Republican	AES
3	Olympia J. Snowe	US Senator, Maine + US Congressman, Maine	Republican	Aetna
4	Barbara Hackman Franklin	US Secretary of Commerce	Republican	Aetna
5	Joe Frank Harris	Governor of Georgia	Democratic	AFLAC INC
6	Byron I. Mallott	Mayor of Yakutat and of Juneau	Democratic	ALASKA AIR GROUP INC.
7	Ann M. Veneman	US Secretary of Agriculture	Republican	ALEXION PHARMACEUTICALS INC
8	Gerald L. Baliles	Governor of Virginia	Democratic	ALTRIA GROUP INC.
9	Ann M. Korologos	US Secretary of Labor	Republican	American Airlines Group Inc.
10	David L. Boren	US Senator, Oklahoma + Governor of Oklahoma	Democratic	American Airlines Group Inc.
11	Preston M. Geren III	US Secretary of the Army + United States House of Representatives from Texas's 12th congressional district	Republican	ANADARKO PETROLEUM CORP
12	Al Gore	US Vice President + US Senator, Tennessee + US Congressman, Tennessee	Democratic	APPLE INC
13	Lynn M. Martin	US Secretary of Labor + US Congressman, Illinois	Republican	AT&T INC.
14	Lynn Schenk	US Congresswoman from California	Democratic	Biogen inc.
15	William M. Daley	US Secretary of Commerce	Democratic	BOEING CO
16	Nikki Haley	Governor of South Carolina	Republican	BOEING CO
17	John R. McKernan	Governor of Maine + US Congressman, Maine	Republican	BORGWARNER INC
18	Kelly A. Ayotte	US Senator, New Hampshire	Republican	BOSTON PROPERTIES
19	John E. Sununu	US Senator, New Hampshire + US Congressman, New Hampshire	Republican	BOSTON SCIENTIFIC CORP
20	Togo D. West Jr.	US Secretary of the Army + US Secretary of Veterans' Affairs	Democratic	BRISTOL MYERS SQUIBB CO
21	Tommy G. Thompson	Governor of Wisconsin + US Secretary of Health and Human Services	Republican	BARD C R INC
22	Jon M. Huntsman Jr.	Governor of Utah	Republican	CATERPILLAR INC
23	Kelly A. Ayotte	US Senator, New Hampshire	Republican	CATERPILLAR INC

24	Samuel K. Skinner	US Secretary of Transportation	Republican	CBOE Holdings, Inc.
25	Mickey Kantor	US Secretary of Commerce	Democratic	CBRE GROUP INC.
26	Joseph A. Califano Jr.	US Secretary of Health, Education, and Welfare	Democratic	CBS CORP
27	William S. Cohen	US Secretary of Defense + US Senator, Maine + US Congressman, Maine	Republican	CBS CORP
28	Linda M. Griego	Deputy Mayor of Los Angeles	Democratic	CBS CORP
29	Tommy G. Thompson	Governor of Wisconsin + US Secretary of Health and Human Services	Republican	CENTENE CORP
30	Richard A. Gephardt	US Congressman, Missouri	Democratic	CENTENE CORP
31	Mary L. Landrieu	US Senator from Louisiana	Democratic	CENTURYLINK INC
32	Richard A. Gephardt	US Congressman, Missouri	Democratic	CENTURYLINK INC
33	Mitchell E. Daniels Jr.	Governor of Indiana	Republican	CERNER CORP
34	John C. Danforth	US Senator, Missouri	Republican	CERNER CORP
35	Don Nickles	US Senator from Oklahoma	Republican	CHESAPEAKE ENERGY CORP
36	Frank Keating	Governor of Oklahoma	Republican	CHESAPEAKE ENERGY CORP
37	Jon M. Huntsman Jr.	Governor of Utah	Republican	CHEVRON CORP
38	Chuck Hagel	US Senator, Nebraska	Republican	CHEVRON CORP
39	Sam Nunn	US Senator from Georgia	Democratic	CHEVRON CORP
40	Daniel R. Glickman	US Congressman, Kansas + US Secretary of Agriculture	Democratic	CME GROUP INC.
41	J. Dennis Hastert	US Congressman, Illinois	Republican	CME GROUP INC.
42	Richard M. Daley	Mayor of Chicago	Democratic	COCA COLA CO
43	Alexis Herman	US Secretary of Labor	Democratic	COCA COLA CO
44	Sam Nunn	US Senator from Georgia	Democratic	COCA COLA CO
45	Matt R. Blunt	Governor of Missouri	Republican	COPART INC
46	Carlos M. Gutierrez	US Secretary of Commerce	Republican	CORNING INC
47	Michael O. Johanns	US Senator, Nebraska + US Secretary of Agriculture + Governor of Nebraska	Republican	CORTEVA, INC.
48	Daniel J. Evans	US Senator, Washington + Governor of Washington	Republican	COSTCO WHOLESALE CORP
49	Sally Jewell	US Secretary of the Interior	Democratic	COSTCO WHOLESALE CORP
50	Sean O'Keefe	US Secretary of the Navy	Republican	CSRA Inc.
51	John B. Breaux	US Senator, Louisiana + US	Democratic	CSX CORP

52	J.C. Watts, Jr.	Congressman, Louisiana 7th US Congressman, Oklahoma	Republican	CSX CORP
53	Alexis M. Herman	US Secretary of Labor	Democratic	CUMMINS INC
54	Connie Mack III	US Senator from Florida + US Congressman, Florida	Republican	DARDEN RESTAURANTS INC
55	Michael O. Johanns	US Senator, Nebraska + US Secretary of Agriculture + Governor of Nebraska	Republican	DEERE & CO
56	Shirley C. Franklin	Mayor of Atlanta	Democratic	DELTA AIR LINES INC
57	John M. Engler	Governor of Michigan	Republican	DELTA AIR LINES INC
58	Rodney E. Slater	US Secretary of Transportation	Democratic	DELTA AIR LINES INC
59	Barbara H. Franklin	US Secretary of Commerce	Republican	DOW CHEMICAL CO
60	Jennifer M. Granholm	Governor of Michigan	Democratic	DOW CHEMICAL CO
61	Philip R. Sharp	Congressman from Indiana	Democratic	Duke Energy CORP
62	Samuel Bodman	US Secretary of Energy	Republican	DUPONT E I DE NEMOURS & CO
63	Ellen Tauscher	US Congressman, California	Democratic	EDISON INTERNATIONAL
64	Alexis M. Herman	US Secretary of Labor	Democratic	ENTERGY CORP
65	Blanche L. Lincoln	US Senator, Arkansas + US Congressman, Arkansas	Democratic	ENTERGY CORP
66	Billy Tauzin	Congressman from Louisiana	Republican	ENTERGY CORP
67	Thomas J. Ridge	Governor of Pennsylvania + US Secretary of Homeland Security + US Congressman, Pennsylvania	Republican	EXELON CORP
68	B. Evan Bayh III	US Senator, Indiana + Governor of Indiana	Democratic	FIFTH THIRD BANCORP
69	Dirk A. Kempthorne	US Secretary of the Interior + Governor of Idaho + US Senator, Idaho	Republican	FMC CORP
70	Jon M. Huntsman, Jr.	Governor of Utah	Republican	FORD MOTOR CO
71	Richard A. Gephardt	US Congressman, Missouri	Democratic	FORD MOTOR CO
72	Gary F. Locke	US Secretary of Commerce	Democratic	FORTINET INC
73	Paul D. Ryan	US Congressman, Wisconsin	Republican	FOX CORPORATION
74	Thomas H. Kean	Governor of New Jersey	Republican	FRANKLIN RESOURCES INC
75	James N. Mattis	US secretary of Defense	Republican	GENERAL DYNAMICS CO
76	Sam Nunn	US Senator from Georgia	Democratic	GENERAL ELECTRIC CO

77	Ashton B. Carter	US secretary of Defense	Democratic	GENERAL ELECTRIC CO
78	Carla Hills	US Secretary of Housing and Urban Development	Republican	GILEAD SCIENCES INC
79	Ann McLaughlin Korologos	US Secretary of Labor	Republican	HARMAN INTERNATIONAL INDUSTRIES INC
80	PAUL G. KIRK, JR.	US Senator, Massachusetts	Democratic	HARTFORD FINANCIAL SERVICES GROUP INC
81	William L. Armstrong	US Senator, Colorado + US Congressman, Colorado	Republican	Helmerich & Payne, Inc.
82	Louis W. Sullivan	US Secretary of Health and Human Services	Republican	HENRY SCHEIN INC
83	Thomas J. Ridge	US Secretary of Homeland Security + Governor of Pennsylvania + US Congressman, Pennsylvania	Republican	HERSHEY CO
84	Samuel W. Bodman	US Secretary of Energy	Republican	HESS CORP
85	Nicholas F. Brady	US Secretary of the Treasury + US Senator, New Jersey	Republican	HESS CORP
86	Thomas H. Kean	Governor of New Jersey	Republican	HESS CORP
87	Jon M. Huntsman, Jr.	Governor of Utah	Republican	HILTON WORLDWIDE HOLDINGS INC.
88	Ray Mabus	US Secretary of the Navy + Governor of Mississippi	Democratic	HILTON WORLDWIDE HOLDINGS INC.
89	Judd Gregg	US Senator, New Hampshire + Governor of New Hampshire + US Congressman, New Hampshire	Republican	HONEYWELL INTERNATIONAL INC
90	Ann McLaughlin Korologos	US Secretary of Labor	Republican	HOST HOTELS & RESORTS, INC.
91	Gordon H. Smith	US Senator from Oregon	Republican	HOST HOTELS & RESORTS, INC.
92	Elaine L. Chao	US Secretary of Labor	Republican	Ingersoll-Rand plc
93	William H. Gray, III	US Congressman, Pennsylvania	Democratic	JPMORGAN CHASE & CO
94	Rodney E. Slater	US Secretary of Transportation	Democratic	KANSAS CITY SOUTHERN
95	Ann McLaughlin Korologos	US Secretary of Labor	Republican	KELLOGG CO
96	Donna Shalala	US Secretary of Health and Human Services	Democratic	LENNAR CORP
97	Jeh C. Johnson	US Secretary of Homeland Security	Democratic	LOCKHEED MARTIN CORP.
98	John W. Snow	US Secretary of the Treasury	Republican	MARATHON OIL CORP
99	Evan Bayh	US Senator, Indiana + Governor of Indiana	Democratic	Marathon Petroleum Corp
100	W. Mitt Romney	Governor of Massachusetts	Republican	MARRIOTT INTERNATIONAL INC
101	Richard A. Vinroot	Mayor of Charlotte	Republican	Martin Marietta Materials
102	Dennis W. Archer	Mayor of Detroit	Democratic	MASCO CORP

103	Michael O. Leavitt	US Secretary of Health and Human Services	Republican	Medtronic plc
104	Carlos M. Gutierrez	US Secretary of Commerce	Republican	METLIFE INC
105	Alexis M. Herman	US Secretary of Labor	Democratic	MGM RESORTS INTERNATIONAL
106	Ann Korologos	US Secretary of Labor	Republican	Michael Kors Holdings Ltd
107	Penny S. Pritzker	US Secretary of Commerce	Democratic	MICROSOFT CORPORATION
108	Elaine L. Chao	US Secretary of Labor	Republican	TWENTY-FIRST CENTURY FOX, INC
109	Elaine L. Chao	US Secretary of Labor	Republican	NEWS CORP
110	Kelly A. Ayotte	US Senator, New Hampshire	Republican	NEWS CORP
111	Gerald L. Baliles	Governor of Virginia	Democratic	NORFOLK SOUTHERN CORP
112	Mitchell E. Daniels, Jr.	Governor of Indiana	Republican	NORFOLK SOUTHERN CORPORATION
113	Victor H. Fazio	Congressman from California	Democratic	NORTHROP GRUMMAN CORP
114	E. Spencer Abraham	US Secretary of Energy + US Senator, Michigan	Republican	NRG ENERGY, INC.
115	Harvey B. Gantt	Mayor of Charlotte	Democratic	NUCOR CORP
116	Melquiades R. Martinez	US Secretary of Housing and Urban Development + US Senator, Florida	Republican	NVR, INC
117	Spencer Abraham	US Secretary of Energy + US Senator, Michigan	Republican	OCCIDENTAL PETROLEUM CORP
118	Carlos M. Gutierrez	US Secretary of Commerce	Republican	OCCIDENTAL PETROLEUM CORP
119	Leon E. Panetta	US Secretary of Defense + US Congressman, California	Democratic	ORACLE CORP
120	Julius C. Watts, Jr.	US Congressman, Oklahoma	Republican	PAYCOM SOFTWARE, INC.
121	William H. Gray, III	Congressman from Pennsylvania	Democratic	PFIZER INC
122	Jeh C. Johnson	US Secretary of Homeland Security	Democratic	PG&E CORP
123	Harold Brown	US Secretary of Defense + US Secretary of the Air Force	Democratic	Philip Morris International Inc.
124	Gaston Caperton	Governor of West Virginia	Democratic	PRUDENTIAL FINANCIAL INC
125	William H. Gray III	Congressman from Pennsylvania	Democratic	PRUDENTIAL FINANCIAL INC
126	Marc H. Morial	Mayor of New Orleans	Democratic	HALF ROBERT INTERNATIONAL INC
127	Dirk A. Kempthorne	US Secretary of the Interior + Governor of Idaho + US Senator, Idaho	Republican	HALF ROBERT INTERNATIONAL INC
128	Kurt L. Schmoke	Mayor of Baltimore	Democratic	S&P Global Inc.
129	Colin Powell	US Secretary of State	Republican	SALESFORCE COM INC
130	Hank Brown	US Senator, Colorado + US Congressman, Colorado	Republican	SEALED AIR CORP

131	Lynn Schenk	US Congresswoman from California	Democratic	SEMPRA ENERGY
132	Ernest J. Moniz	US Secretary of Energy	Democratic	THE SOUTHERN CO.
133	William W. Bradley	US Senator from New Jersey	Democratic	STARBUCKS CORP
134	Robert M. Gates	US Secretary of Defense	Republican	STARBUCKS CORP
135	Olympia J. Snowe	US Senator, Maine + US Congressman, Maine	Republican	Synchrony Financial
136	Olympia J. Snowe	US Senator, Maine + US Congressman, Maine	Republican	PRICE T ROWE GROUP INC
137	Kenneth L. Salazar	US Secretary of the Interior + US Senator, Colorado	Democratic	TARGET CORP
138	Christine Todd Whitman	Governor of New Jersey	Republican	TEXAS INSTRUMENTS INC
139	David L. Boren	US Senator, Oklahoma + Governor of Oklahoma	Democratic	TEXAS INSTRUMENTS INC
140	Deborah L. James	US Secretary of the Air Force	Democratic	TEXTRON, INC.
141	Carlos M. Gutierrez	US Secretary of Commerce	Republican	TIME WARNER INC.
142	David L. Boren	US Senator, Oklahoma + Governor of Oklahoma	Democratic	TORCHMARK CORP
143	Mary L. Landrieu	US Senator, Louisiana	Democratic	TYLER TECHNOLOGIES, INC.
144	Daniel M. Pope	Mayor of the City of Lubbock, Texas	Republican	TYLER TECHNOLOGIES, INC.
145	Mike Beebe	Governor of Arkansas	Democratic	TYSON FOODS INC
146	Andrew H. Card, Jr.	US Secretary of Transportation	Republican	UNION PACIFIC CORP
147	Christine Todd Whitman	Governor of New Jersey	Republican	UNITED TECHNOLOGIES CORP
148	Carlos M. Gutierrez	US Secretary of Commerce	Republican	UNITED TECHNOLOGIES CORP
149	Donald L. Nickles	US Senator, Oklahoma	Republican	VALERO ENERGY CORP
150	John F. Lehman, Jr.	US Secretary of the Navy	Republican	Verisk Analytics, Inc
151	Rodney E. Slater	US Secretary of Transportation	Democratic	VERIZON COMMUNICATIONS INC
152	John W. Snow	US Secretary of the Treasury	Republican	VERIZON COMMUNICATIONS INC
153	Linda M. Griego	Deputy mayor of Los Angeles	Democratic	VIACOMCBS INC.
154	Elaine L. Chao	US Secretary of Labor	Republican	Vulcan Materials CO
155	Donald B. Rice	US Secretary of the US Air Force	Republican	Vulcan Materials CO
156	Ann McLaughlin Korologos	US Secretary of Labor	Republican	Vulcan Materials CO
157	Elaine L. Chao	US Secretary of Labor	Republican	WELLS FARGO & COMPANY
158	Federico F. Peña	US Secretary of Energy + US Secretary of Transportation + Mayor of Denver	Democratic	WELLS FARGO & COMPANY
159	Marc F. Racicot	Governor of Montana	Republican	WEYERHAEUSER CO

160	William W. Bradley	US Senator from New Jersey	Democratic	WILLIS TOWERS WATSON PLC
161	Joseph A. Califano, Jr.	US Secretary of Health, Education, and Welfare	Democratic	WILLIS TOWERS WATSON PLC
162	Robert J. Miller	Governor of Nevada	Democratic	WYNN RESORTS LTD