

THE UNIVERSITY OF CHICAGO

THE POLITICS OF CSR ACTIVITY: EVIDENCE FROM PRESS RELEASES

A DISSERTATION SUBMITTED TO
THE FACULTY OF THE UNIVERSITY OF CHICAGO
BOOTH SCHOOL OF BUSINESS
IN CANDIDACY FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY

BY
JUNFAN HUANG

CHICAGO, ILLINOIS

JUNE 2023

Copyright © 2023 by Junfan Huang
All Rights Reserved

To my parents and grandparents.

TABLE OF CONTENTS

LIST OF FIGURES	v
LIST OF TABLES	vi
ACKNOWLEDGMENTS	vii
ABSTRACT	viii
1 INTRODUCTION	1
2 BACKGROUND AND CONCEPTUAL UNDERPINNINGS	11
2.1 Background	11
2.2 Conceptual underpinnings	14
3 DATA AND EMPIRICAL STRATEGY	16
3.1 Measuring CSR activity through CSR press releases	16
3.2 Identifying CSR press releases using textual analysis	17
3.3 Additional data and descriptive statistics	19
3.4 Empirical strategy	21
4 RESULTS	23
4.1 Primary analysis	23
4.2 Identification	26
4.3 Robustness tests	30
4.4 Further evidence on CSR as politically motivated	32
5 CONCLUSION	33
REFERENCES	34
APPENDICES	61
A Variable Definition	62
B Classifying Press Releases from RavenPack	66
C Additional Appendix Tables	73

LIST OF FIGURES

1	States Whose Senators Chair CSR Committees (2004-2017)	38
2	States with Plausibly Exogenous Departures from CSR Committees (2004-2017)	39
3	Parallel Trends around Senator Departures	40

LIST OF TABLES

1	Sample Selection for Firm-years and Press Releases	41
2	Descriptive Statistics	42
3	CSR Chairs and Senator CSR Speech	44
4	Other Chairs and Senator CSR Speech	45
5	Association between CSR-related Chairs and Corporate CSR Press Releases . .	49
6	Senate CSR Chairs and CSR Press Releases by Topic	51
7	Senate CSR Chairs and Heterogeneity in CSR Press Releases	52
8	Local Newspaper Presence as a Mechanism	54
9	Plausibly Exogenous Departures from CSR-related Committees	55
10	Robustness Tests on the Primary Analyses	57
11	Political Contributions and CSR Press Releases	59
12	CSR Press Releases and Government Contracts	60
13	Examples of CSR Press Releases	72
14	Senate Committees and Affiliated Federal Departments by Nominations	73

ACKNOWLEDGMENTS

I greatly appreciate the insights and guidance of my dissertation committee: Marianne Bertrand, Hans Christensen, João Granja, Christian Leuz (chair), and Michael Minnis. I thank Ray Ball, Philip Berger, Anna Costello, Kalash Jain, Sinja Leonelli, Shirley Lu, Mihir Mehta, Pietro Ramella, Amoray Riggs-Cragun, Delphine Samuels, Gurpal Sran, Christopher Stewart, and seminar participants at Boston College, Columbia, Cornell, the Deloitte Doctoral Consortium, MIT, New York University, Northwestern, Stanford, the University of Chicago, the University of Texas at Dallas, the University of Washington, and Wharton for helpful comments. I thank Richard Ye for excellent research assistance. Further, I am grateful to Bill Stueben, my family, and my friends for invaluable support. All errors are my own.

ABSTRACT

I study whether firms use corporate social responsibility (“CSR”) activity to strengthen relationships with senators who prioritize CSR policy areas. I predict that when senators prioritize CSR issues, constituent firms increase CSR activity to give senators opportunities to claim credit for CSR developments in local communities. By doing so, firms strengthen relationships with senators and can avoid future political costs. I measure senator CSR priorities by whether they chair a CSR-related Senate committee. I introduce a novel measure of corporate CSR activity based on the textual analysis of press releases. Triangulating across my analyses, I find that when a senator chairs a CSR-related committee, constituent firms become more likely to issue CSR press releases and issue more of them. This response is driven by press releases about less costly activity, suggesting firms use CSR press releases strategically to create a positive CSR perception. In states with more local newspapers where issuing press releases may lead to increased media coverage, the primary association is more pronounced. I find evidence for my prediction in a difference-in-differences design where I exploit plausibly exogenous departures of senators from CSR-related committees.

CHAPTER 1

INTRODUCTION

Over the last decade, corporate social responsibility (“CSR”) has soared in prominence as firms have prioritized environmental and social goals. As part of this phenomenon, firms have vocally emphasized supporting the communities where they are based (BusinessRoundtable, 2019). These communities are particularly impacted by CSR activity; for example, employees often reside in these communities and residents feel the environmental consequences of corporate operations. At the same time, these communities elect politicians who influence the public policy and regulatory climate that firms face. As a result, this renewed focus on communities has led to a firm’s CSR activity and political landscape growing increasingly entwined. Despite these deepening ties, we know relatively little about how political landscapes influence the investment and disclosure of CSR activity.

I study whether firms use CSR activity to strengthen relationships with senators who prioritize CSR policy areas. When firms engage in CSR activity in communities where they are based and disclose this news, they give senators opportunities to claim credit for the activity with constituents.¹ In turn, senators can help firms avoid future political costs, such as in the form of relaxed regulatory scrutiny or future government contracts.² While firms have incentives to build political relationships where they have significant operations in general, CSR activity could be an especially relevant form of relationship-building with senators of a firm’s “home state” because firms rely on local communities as potential employees and customers and senators rely on local communities as voters. Based on this rationale, I predict

1. In the political science and political economy literatures, “credit claiming” has traditionally been used in the context of earmarks or monetary distributions from federal agencies (e.g., Grimmer et al. (2012)). Bertrand et al. (2020) extend this language to include politicians publicly associating themselves with charities in their states, and I use the term similarly for when politicians publicly associate themselves with corporate activities in their states.

2. For example, Schoenherr (2019) and Brogaard et al. (2021) find politically connected firms receive preferential treatment in regards to government contracts.

that constituent firms will increase CSR activity and disclosure to strengthen relationships with senators who prioritize CSR issues.

My prediction responds, in part, to the political cost hypothesis, which predicts larger firms reduce reported earnings to avoid political costs or, similarly, gain political benefits (Watts and Zimmerman, 1978; Jones, 1991; Ramanna and Roychowdhury, 2010). While laying out the hypothesis, which centers on earnings management, Watts and Zimmerman (1978) note firms may also use “social responsibility campaigns” (p. 115) to achieve the same goals. In either pathway, the same argument applies that avoiding political costs can incentivize firms to strengthen relationships with politicians and regulators. I examine whether firms use CSR activity and disclosure to build relationships with politicians, exploring an alternative vehicle to the political cost hypothesis.

When firms use CSR activity for political relationship-building, corporate disclosure of this activity is a central part of the mechanism because local communities need to learn about the activity. Through disclosure, firms increase the possibility that local media outlets cover the CSR activity, raising awareness within the community and giving the senator more opportunities to publicly associate themselves with the news. The more the local community learns about the CSR activity and the more opportunities the senator has to point to the activity, the stronger the relationship-building between the firm and senator. Because disclosure facilitates this process, it plays a role that contrasts with traditionally studied political relationship-building methods that are intentionally opaque, such as lobbying or donating to politicians’ related charities (Bertrand et al., 2020).

An anecdotal example illustrates three parts of my framework: (1) firms conduct CSR activity in local communities, (2) firms publicize this activity through press releases that lead to local news coverage, and (3) senators pay attention to and publicly associate themselves with CSR activities of firms in their states. In April 2017, Archer Daniels Midland (“ADM”), a Chicago-based food processing company, issued a press release announcing a carbon capture

and storage project in Decatur, Illinois, to reduce its carbon emissions (ADM, 2017). This announcement was picked up by local news media, such as the Decatur-based *Herald & Review*, which wrote about the project and the firm’s role in helping Illinois “[lead] the way forward in making decisions about carbon emissions and corporate responsibility” (Hettinger and Lisi, 2017). A few months later, Senator Tammy Duckworth of Illinois highlighted ADM’s project in a hearing on carbon capture and storage technology held by the Senate Environment and Public Works committee. She said, “I have seen firsthand how effective this technology can be in bringing economic and environmental benefits. Decatur, Illinois, in my home State, is home to Archer Daniels Midland, a project that began capturing carbon dioxide from an ethanol production facility in April 2017” (U.S.Senate, 2017, p. 68). This anecdote helps motivate my reasoning that corporate CSR activity may strengthen firms’ relationships with senators who prioritize CSR issues.

However, this prediction may not be realized in the data for two reasons. First, conducting CSR activity by making operations more environmentally sustainable, offering more benefits to employees, or changing hiring and promotion practices to increase workforce diversity, for example, can be costly in both time and money. Second, firms choose their CSR activity while balancing the interests of many other stakeholders, such as investors or employees. On the margin, if these other stakeholders play a more influential role in determining CSR activity, then I may not find evidence that changes in CSR activity are attributable to senators’ CSR priorities.

To measure whether senators prioritize CSR issues, I examine Senate committees, which specialize in different policy areas. Senators are time-constrained, and their committee duties involve “a tremendous volume of work, often overlooked by the public” (Sullivan, 2007, p. 9). I assume when a senator spends their time on a certain policy area, especially over a long career, this action reflects a policy priority. Accordingly, I measure senators prioritizing CSR issues by senators chairing committees that oversee policies directly focused on environmen-

tal or social issues: Environment and Public Works (“Environment”); Energy and Natural Resources (“Energy”); and Health, Education, Labor, and Pensions (“HELP”). I validate this proxy by comparing committee chair positions to senators’ remarks on environment and social-related policy areas in the Congressional Record, which encompasses all substantive public discussions in the Senate. Chairs of the Environment and Energy committees utter significantly more environment-related phrases than other senators, and chairs of the HELP committee utter significantly more phrases related to healthcare, education, labor, and minorities than other senators. As a result, I predict that firms whose senators chair these three committees will increase CSR activity to strengthen relationships with these senators.

To measure CSR activity, I use firm-issued press releases. Focusing on press releases carries three advantages: first, press releases and ensuing media coverage help give senators opportunities to claim credit for CSR activities in their communities. Second, press releases about CSR activity convey changes in real activity that are recognized by the market (Griffin and Sun, 2013). Third, press releases are a timely disclosure option for firms compared to annual or quarterly filings. I source press release headlines from RavenPack, a provider of firm-related media data, and CSRwire, a newswire service that firms use to disseminate CSR news.

I use a sample of public firms headquartered in the U.S. with press releases in RavenPack from 2004-2017. The sample has 58,464 firm-years representing 7,478 unique firms. I classify these firms’ CSRwire and RavenPack press release headlines into CSR and non-CSR. When a firm distributes a press release through CSRwire, the firm reveals it considers the press release to be CSR-related. Consequently, I defer to the firm’s classification and define all CSRwire press releases to be CSR press releases. To determine which RavenPack press release headlines are CSR, I use BERT (Bidirectional Encoder Representations from Transformers), a deep learning model developed by Google and currently the gold standard in natural language processing (Bochkay et al., 2022). Compared with a keyword search method, BERT reduces

the concern about researcher subjectivity and is less vulnerable to false negatives. I use BERT to classify RavenPack press release headlines into CSR or non-CSR. The resulting set of CSR press release headlines includes the CSRwire press releases and the RavenPack headlines that BERT classifies as CSR. Of the 7,478 firms in the sample, 4,853 (or 65%) of them issue at least one CSR press release during the sample period.

To empirically test whether firms use CSR activity to strengthen relationships with senators who prioritize CSR policy areas, I begin by testing whether having a senator chair a CSR-related committee is positively associated with issuing CSR press releases. I use a design with firm and year fixed effects to examine changes in CSR press release issuance within a firm over time as senators chair or stop chairing these committees. When senators chair the Environment or HELP committees, I find that constituent firms are more likely to issue CSR press releases and issue more of them. I divide press releases into CSR categories based on keywords in the press release content and observe that when senators chair the Environment or Energy committees, constituent firms are more likely to issue environment press releases. When senators chair the HELP committee, firms issue more social press releases. Together, these results are consistent with firms increasing CSR activity according to senators' CSR priorities.

I further explore the heterogeneity within firms' CSR press release issuance by obtaining the full press release content of a subsample of firms headquartered in states whose senators chair the CSR-related committees. If the change in CSR press releases is driven by press releases communicating activities of relatively small size and scope, then firms are more likely using press releases opportunistically to create a positive CSR perception. I find that when senators chair the Environment and HELP committees, constituent firms issue more qualitative and less costly press releases. I also explore whether the change in CSR press releases is driven by press releases communicating past activities versus future activities because it may be easier for firms to strategically choose past activities to publicize when

convenient. Similarly, I find that firms issue more press releases about past activities when senators chair the Environment and HELP committees. These two pieces of evidence suggest firms use CSR press releases strategically to create a positive CSR perception when senators prioritize CSR policy areas.

Next, I explore the local media environment as a potential mechanism behind the main association. For senators to have opportunities to point to local CSR activity, it is important that the CSR activity be widely known. The more news coverage the activity receives, the more opportunities the senator has to claim credit for this activity. Consequently, I would expect that when a senator chairs a CSR-related committee, constituent firms are more likely to issue CSR press releases when corporate press releases typically receive more local news coverage. I find evidence that firms in states with more local newspapers per capita issue more CSR press releases when senators chair the Environment and Energy committees. This evidence suggests the local media environment plays an important role relating to the firm’s disclosure of CSR activity through press releases.

The primary results support the main prediction but can be vulnerable to alternative explanations. For example, characteristics particular to a state may both lead senators to chair CSR-related committees and influence corporate CSR activity. In addition, firms are “treated” in only 12 states due to the small number of senators serving as chairs of relevant committees. To improve the identification and increase the generalizability of my findings, I use a difference-in-differences (“DiD”) design exploiting plausibly exogenous departures of senators from CSR-related committees. I shift the focus from chairs to all members to increase the set of plausibly exogenous events. I define a plausibly exogenous departure as a sudden death, appointment to the executive branch, or committee transfer.³ During 2004-2017, there are 43 plausibly exogenous departures from CSR-related committees, affecting 31 states.

3. Other papers that use a similar design based on departures from other congressional committees include Mehta et al. (2020), Mehta and Zhao (2020), Cuny et al. (2020), and Yue et al. (2022).

I find that in the three months after losing a senator on a CSR-related committee, firms become 12.2% less likely to issue CSR press releases. This result suggests that once a senator no longer prioritizes CSR issues or leaves Congress entirely, firms have less incentive to use CSR to strengthen that relationship. Because 35% of firms in the sample never issue a CSR press release from 2004-2017, I also run the DiD on the 65% of firms that do issue at least one CSR press release, and the results increase in magnitude. Taken together, the DiD and primary results are consistent with the prediction that when senators prioritize CSR issues, constituent firms increase CSR activity to strengthen these relationships.

Though the DiD design helps limit the alternative explanations that could drive the positive relation between senators prioritizing CSR and constituent firms increasing CSR activity, I conduct additional robustness tests on the primary analysis. First, I add controls to address the concern that senator influence over financial policy may drive the result. Second, I run a weighted least squares regression where weights are based on the number of firms in each state to mitigate the concern that the results are driven by the distribution of firms across states in my sample. Third, I run the main specification on the 65% of firms that issue at least one CSR press release during the sample period. The findings hold across these robustness tests.

Finally, I provide additional evidence that the changes in CSR press release issuance are politically motivated. First, I examine the political contributions of firms' executives to senators of the headquarter state. If executives contributed more to their senators in the past, then they may have a stronger personal political relationship that they want to protect by providing senators more credit-claiming opportunities. I find that when senators chair the Environment and HELP committees, firms that contributed relatively more to those senators drive the CSR press release response. Second, I explore a potential political benefit firms could receive by issuing CSR press releases and find that issuing more CSR press releases is positively associated with earning revenue from the U.S. government the

following year. Though I interpret these results cautiously, they help to triangulate with the primary analysis and the DiD to support the prediction that firms use CSR activity to strength relationships with senators who prioritize CSR policy areas.

My study contributes to four main areas of academic literature. First, I contribute to the literature on political costs by examining an alternative vehicle originally presented alongside the political cost hypothesis (Watts and Zimmerman, 1978). Political forces may be more prominent in the CSR arena because of the connection between CSR, local communities, and elected officials. I also respond to Miller and Skinner (2015), who comment that “political and regulatory incentives may affect firms’ disclosure choices, but this area remains relatively undeveloped” (p. 234). In more recent work, Huang (2022) finds firms that receive government subsidies provide more press releases about general corporate activity and subsidy-related goals, and Cuny et al. (2022) find industries experiencing higher political costs increase strategic advertising in areas represented by relevant politicians. Compared with these studies, I focus on CSR activity and disclosure and find evidence that when politicians prioritize CSR issues, constituent firms increase CSR press release issuance.

Second, my study relates to work on the determinants of CSR and, in particular, the role of political relationship-building by documenting that CSR can be an important vehicle for relationship-building when politicians prioritize CSR. Prior work finds evidence that firms increase charitable giving to strengthen relationships with politicians in both a U.S. setting (Bertrand et al., 2020) and a Chinese setting (Lin et al., 2015; Zhang et al., 2016). I complement these studies by examining a setting where the relationship-building method benefits from increased disclosure. By contrast, prior work examines methods that are intentionally opaque. In addition, I focus on situations when CSR activity, in contrast to other influence-seeking activity, could be highly relevant to strengthening a firm’s relationship with its politician (i.e., when a firm’s senator sits on a CSR-related committee). Outside of political relationship-building, other papers examine broader government scrutiny as a

determinant of CSR activity and reporting. For example, Reid and Toffel (2009) and Innes and Sam (2008) find firms increase environmental disclosure and pollution reduction to deflect impending environmental regulation. A larger literature examines other determinants of corporate CSR activity and disclosure, such as size, corporate governance, and institutional investors.⁴ I focus on a dimension that has received less attention: whether firms generate CSR news for the purposes of political relationship-building.

Third, this study speaks to the relation between congressional committees and firms by exploiting the policy-area specialization of congressional committees. Cohen et al. (2011) finds senior members of Congress on powerful committees increase federal funds to their constituencies, crowding out corporate investment. Bertrand et al. (2020) use committee assignments to identify politicians who cover firm-specific business issues and find firms increase charitable giving to these politicians' constituents. Mehta et al. (2020), Mehta and Zhao (2020), and Yue et al. (2022) find evidence that powerful politicians on relevant committees can insulate constituent firms from enforcement by the FTC, the SEC, and banking regulators, respectively. By comparison, I use policy-area specialization to identify committees that oversee policies on environmental or social issues and therefore focus on firms' political representation on these committees.

Finally, by measuring CSR activity through firm-issued press releases, my study joins prior efforts in accounting to quantify firm activity through observable disclosure. For example, Bird et al. (2020) measure firm-level real activity using certain terms in 8-K filings, Hassan et al. (2020) measure firm-level political risk by gleaning politics-related terms from earnings call transcripts, and Li et al. (2013) measure competition through management discussion in 10-K filings. Building on this approach, I examine firm-issued press releases, a less studied form of disclosure that can convey timely information about firm activity. I use press releases from RavenPack and CSRwire, a source of CSR disclosure data relatively new to

4. See Christensen et al. (2021) for a more extensive overview of this larger literature.

the literature.⁵ By classifying CSR press releases with BERT, I offer a novel high-frequency measure of corporate CSR activity based on disclosure.⁶

5. To my knowledge, only two other papers, Griffin and Sun (2013) and Moss et al. (2020), have used CSRwire. Moss et al. (2020) classifies RavenPack press releases as CSR but relies on RavenPack’s topic labeling system, which has limitations. See Appendix B for more details.

6. Huang et al. (2022) have built FinBERT, a model that uses the same infrastructure as BERT but is trained on financial text. The authors demonstrate the usefulness of their model for sentiment and ESG classification. Their ESG classifications are based on annual CSR reports and the MD&A sections of 10-K filings. In contrast, I use BERT to classify press releases, which convey real-time news about activity. My method is better suited for my setting than FinBERT’s ESG classification.

CHAPTER 2

BACKGROUND AND CONCEPTUAL UNDERPINNINGS

2.1 Background

I focus on the U.S. Senate because senators are relatively influential compared to House representatives. Senators are elected for six-year terms, have strong influence over regulatory activity by voting on nominations to federal regulators, and at an individual level, each senator is one of 100 members rather than one of 435 members in the House of Representatives. Two senators represent each state, and the 100 senators sit on specialized committees that oversee specific policy and governance jurisdictions. Each committee has legislative and regulatory responsibilities over their respective areas. On the legislative side, “perhaps the most important phase of the legislative process is the action by committees” (Sullivan, 2007, p. 9) because a new bill is first referred to the most relevant committee for consideration. The committee votes on whether to recommend the bill to the full Senate for further discussion. Because a bill either “passes out of committee” or “dies in committee,” the committee acts as a gatekeeper for legislation in its area. On the regulatory side, a committee oversees and directs regulatory agencies and other federal departments within their jurisdiction. Committees vote on agency leadership appointments, give budget recommendations, conduct oversight hearings, and lead investigations. Sixteen standing (i.e., permanent) Senate committees exist, with an average of 22 senators each. Although committees range in size, the ratio of Democrats to Republicans across committees tends to mirror the party split within the Senate at the time (Eckman, 2021). The sixteen standing committees are Agriculture, Nutrition, and Forestry; Appropriations; Armed Services; Banking, Housing, and Urban Affairs; Budget; Commerce, Science, and Transportation; Energy and Natural Resources; Environment and Public Works; Finance; Foreign Relations; Health, Education, Labor, and Pensions; Homeland Security and Governmental Affairs; Judiciary; Rules and

Administration; Small Business and Entrepreneurship; and Veterans' Affairs.

Senators are time-constrained, and their committee duties take up a relatively large amount of time (Sullivan, 2007). I assume when a senator spends their time on a committee overseeing a certain policy area, especially over many years, this action reflects a policy priority. As a result, I measure whether senators prioritize environmental and social policy by whether they chair committees that oversee policy in these areas. Out of the 16 committees, Environment, Energy, and HELP most directly oversee policy and regulation of environmental or social issues.¹ This oversight can be directly observed in the nominations to federal departments that are first referred to the most relevant committee. Appendix C lists each committee and its affiliated federal departments based on where nominations are most often first referred. The Environment committee votes on nominations to the Chemical Safety and Hazard Investigation Board, the Department of the Interior, and the Environmental Protection Agency. The Energy committee votes on nominations to the Department of Energy and the Department of the Interior. The HELP committee votes on nominations to the Department of Education, the Department of Health and Human Services, the Department of Labor, the Equal Employment Opportunity Commission, and the Occupational Health and Safety Administration. Because these three committees have relatively direct jurisdiction over environmental or social issues, I define them as being CSR-related and use this term throughout.

One relevant institutional question is how senators receive committee assignments. When senators request assignments, their preferences reflect a combination of three interests: serv-

1. The full jurisdiction of Environment and Public Works can be found at: <https://www.epw.senate.gov/public/index.cfm/jurisdiction>. Bills related to air pollution, environmental policy, nonmilitary environment regulation, and water pollution are first referred to this committee. The full jurisdiction of Energy and Natural Resources can be found at: <https://www.energy.senate.gov/jurisdiction>. The committee oversees policy related to climate change, energy conservation, the impact of energy development on water resources, new energy technology research and development, and commercialization of new technologies in areas such as solar energy. The full jurisdiction of Health, Education, Labor, and Pensions can be found at: <https://www.help.senate.gov/about/issues/>. This committee oversees policy related to healthcare, education initiatives, labor and employment laws, employment-based discrimination, and private retirement plans.

ing their constituencies, crafting public policy in areas of current or hoped-for expertise, and gaining influence among their colleagues (Fenno, 1973; Deering and Smith, 1997). However, when new senators receive assignments, the primary determinants are vacancies on committees and competition for those vacant seats, making the initial assignments largely “a matter of luck: the number of vacancies and competitors varies both from committee to committee and over time” (Deering and Smith, 1997, p. 103). After receiving these assignments, senators re-elected to Congress can generally retain their same committee assignments if that is their preference (Deering and Smith, 1997). As a result, for senators who remain on committees long enough to become chair, this committee position likely reflects a strong personal interest in the committee’s subject area.

Committee chairs are typically assigned to the majority-party senator who has served longest on the committee. Chairs play important internal roles on their committees, have power among colleagues outside their committees, and represent their committees to the public. Internally within a committee, the chair wields considerable influence by setting the committee’s agenda, running committee meetings, scheduling hearings, and crafting the version of bills used by the committee for discussion (Berry and Fowler, 2018). These administrative powers allow a chair to advance their own policy priorities under the committee’s jurisdiction. These powers also give chairs influence among colleagues in the broader Senate; a chair can trade favors with colleagues who would like to see a particular bill expedited in committee or would like a hearing held on a certain issue (Deering and Smith, 1997). Externally to the public, the chair acts as a spokesperson for their committee and party on issues under the committee’s jurisdiction (Deering and Smith, 1997). For example, Senator Tom Carper of Delaware, who chairs the Environment committee as of January 2023, touts his position as “U.S. Senator for Delaware and Chairman @EPWCmte” on Twitter and frequently uses Twitter to highlight environmental policy and interactions with the EPA.

I conduct an exercise to validate whether senators who chair the Environment, Energy,

and HELP committees prioritize environmental or social policy areas. Using data from the Congressional Record, which comprises all substantive public discussions in the Senate, I compare senators' committee chair positions with senators' utterances of phrases related to environment, healthcare, education, labor, and minority topics.² If the CSR-related committee chair proxy functions relatively well, then I would expect Environment and Energy committee chairs to utter more environment phrases and less so other phrases before they become chair, and I would expect HELP committee chairs to utter more phrases related to healthcare, education, labor, and minorities, but less so with the environment before they become chair. The results, which take into account a senator's party and for the Congress in session, in Table ?? support this expectation. Table 4 lists the comparisons for chairs of the rest of the Senate committees, and none of the other committees exhibit such a strong consistent positive relationship with these CSR-related phrases. This exercise increases the comfort that senators who chair a CSR-related committee have indeed developed priorities over environmental or social policy areas over time.

2.2 Conceptual underpinnings

As part of a CSR-related committee, a senator spends time on environmental or social issues. If one acts as chair, he or she develops an interest over many years and accumulates influence that could help constituent firms avoid political costs. Consequently, firms headquartered in a state where a senator chairs one of the CSR-related committees may increase CSR activity to strengthen relationships with these senators. When firms carry out CSR activity, they give their senators opportunities to claim credit for the activity with constituents. In this process, the disclosure of the CSR activity plays an important role: the more the community

2. I am grateful to Matthew Gentzkow, Jesse M. Shapiro, and Matt Taddy for providing this data publicly. The data can be accessed at: https://data.stanford.edu/congress_text. *Congressional Record for the 43rd-114th Congresses: Parsed Speeches and Phrase Counts*. Palo Alto, CA: Stanford Libraries [distributor], 2018-01-16.

learns about the activity and the more opportunities the senator has to point to that activity, the stronger the relationship-building.

The earlier Archer Daniels Midland example helps illustrate this intuition. However, it is also possible that senators on CSR-related committees could explicitly express their CSR priorities to constituent firms, urging them to address these issues. This possibility is consistent with my framework but difficult to observe outside of anecdotes because these kinds of discussions likely occur behind closed doors. In 2009, Senator Al Franken of Minnesota helped establish the National Diabetes Prevention Program through the 2010 Affordable Care Act and became known as a strong proponent of the program.³ A few years later, Minnesota-based UnitedHealth Group expanded access to the program for customers and employees and issued a series of press releases about the expansion (UnitedHealth, 2013). In a January 2015 hearing on employer wellness programs held by the HELP committee, Senator Franken revealed he had discussed the expansion with UnitedHealth, saying, “I had a meeting with the Deputy HHS [Health and Human Services] Secretary, with the YMCAs, and United Healthcare, a big Minnesota company, and the executive from United Healthcare said we will just cover [the Diabetes Prevention Program] for any of our people who are pre-diabetic... I’m just a champion for that, you see” (U.S.Senate, 2015, p. 63). Jointly, these anecdotes illustrate two channels through which firms may increase their CSR activity when their senators prioritize environmental or social issues.

3. *Diabetes Prevention Act of 2009*, S. 2734, 111th Cong. (2009). <https://www.congress.gov/bill/111th-congress/senate-bill/2734>

CHAPTER 3

DATA AND EMPIRICAL STRATEGY

3.1 Measuring CSR activity through CSR press releases

I rely on CSR press releases to measure CSR activity for three reasons. First, the disclosure of CSR activity is important to inform local communities and give senators opportunities to claim credit for this CSR activity. Second, CSR news may be prompted by a broader set of CSR activity than what is available from commonly used CSR metrics. For example, a company can issue a press release about adding hybrid vehicles to their fleet and that underlying activity would not be explicitly captured in greenhouse gas emissions data from the EPA. Third, press releases, by nature, contain timely substantive news. Griffin and Sun (2013) observe that when firms publish press releases through CSRwire about greenhouse gas emissions, a significant abnormal stock market reaction occurs around publication days, suggesting these press releases relay real activity.

However, one might be concerned that CSR press releases may understate CSR activity. Firms might strategically not disclose some CSR activity due to proprietary cost concerns or fear of negative reaction from certain stakeholders. If firms strategically do not disclose, CSR press releases would fail to capture some types of CSR activity. The possibility of strategic non-disclosure is difficult to test. However, when I use keywords to further divide CSR press releases into sub-categories, 54% of the categorized press releases are about social or community-oriented activity, such as donating to a non-profit or volunteering in the community. Neither firms nor their community partners in these activities have a strong incentive to withhold the news, unlike when firms make choices in their supply chain or other operations. Alternatively, CSR press releases may also understate CSR activity if firms begin disclosing an ongoing CSR activity only when providing that disclosure becomes politically expedient. In that case, my measure would not pick up on the previously ongoing

but undisclosed CSR activity. In other words, the CSR press releases may contain delayed information on CSR activity. Griffin and Sun (2013) observe significant abnormal stock market reactions around publication days of greenhouse gas-related press releases, suggesting that environmental press releases convey news that was previously unknown to the market. This evidence indicates that where information is delayed, the delay may not be serious enough for other information sources to preempt the firm’s own disclosure.

3.2 Identifying CSR press releases using textual analysis

I gather press release headlines from RavenPack, a large source of firm-related media data, and press releases from CSRwire, a smaller and more targeted newswire service that firms use to disseminate CSR information.¹ Because a firm controls where to disseminate press releases, a firm reveals it considers a press release to be CSR when distributing it via CSRwire. Consequently, I defer to the firm’s own classification and classify all press releases from CSRwire to be CSR press releases (“CSR PRs”).²

Identifying CSR PRs from RavenPack requires additional steps. First, I follow cleaning steps recommended by a RavenPack representative to identify unique press releases issued by firms covered by Compustat (see Appendix B). Next, I classify press releases as CSR-related based on the content of their headlines. Although RavenPack has its own taxonomy that labels press releases with certain subjects, relying on this taxonomy is problematic because it focuses on traditional business-related events, such as earnings announcements or mergers and acquisitions. Of the 2 million press releases from 2000-2021, 51.3% are labeled “business,” 0.5% are labeled “society,” 0.003% are labeled “politics,” and 48.2% are

1. RavenPack provides the headlines of a press release, but not the full body text. The headline usually provides a clear indication of what the press release is about. For a random sample of 200 CSR press releases, I obtained the full content of the press releases. I asked a research assistant to read them and he observed a tight connection between headline and full content.

2. This choice is also consistent with two prior studies that have used press releases from CSRwire (Griffin and Sun, 2013; Moss et al., 2020).

unlabeled. The “business” umbrella covers traditionally non-CSR topics: 58% of this group discuss earnings, investor relations, management changes, or dividend actions. The part of the taxonomy explicitly related to “corporate responsibility,” a sub-group under “society,” only pertains to “sponsorship” or “donation” news, a subset of CSR activity.

Because of the above limitations with RavenPack’s taxonomy, I identify CSR PRs from RavenPack using BERT, textual analysis technique. BERT has three main advantages over keyword-search methods or traditional machine-learning text-classification models. First, compared with a keyword search where the researcher chooses the CSR keywords to search for in headlines, BERT reduces the concern about researcher subjectivity because BERT relies on labeled data to provide an out-of-sample prediction. Second, BERT is less vulnerable to false negatives: because a keyword search uses a specific list of keywords, the search is more likely to miss a CSR PR when the headline lacks those specific words. Third, compared to traditional machine-learning models, BERT requires fewer resources from the researcher. Because BERT comes pre-trained by Google on English Wikipedia (2,500M words) and BooksCorpus (800M words), the researcher only needs to fine-tune BERT to a specific task. This fine-tuning requires much less training data than for a traditional machine-learning model trained from scratch (Bochkay et al., 2022).

For the CSR text-classification purpose, BERT requires a set of press release headlines labeled as CSR and another set labeled as non-CSR to fine-tune the model. I use all press releases that firms distribute via CSRwire, about 33,000 press releases from 2000-2021, as labeled CSR press releases in the training sample for BERT. To obtain non-CSR PRs, I use 33,000 press release headlines labeled as “business” by RavenPack. To fine-tune BERT, I split the 66,000 total press releases into a training set, validation set, and testing set. BERT fine-tunes on the training set and then applies what it learns to the out-of-sample validation set and testing set. BERT achieves an out-of-sample classification accuracy of 95% (see Appendix B for details).

Next, I use the fine-tuned BERT model to label the 2 million RavenPack press release headlines from 2000-2021. BERT returns a probability that a press release headline is CSR-related. If BERT predicts a press release headline has at least a 90% chance of being CSR-related, I label that press release as CSR; otherwise, I label the press release as non-CSR. Overall, 8% of the RavenPack press releases are labeled as CSR. Together with the CSRwire press releases issued by firms that I fuzzy match to Compustat, 164,153 CSR press releases occur from 2000-2021.³

Table B1 contains 10 examples of CSR PR headlines, such as “Rockwell Collins Announces New Renewable Energy Initiative” (2005) and “Kraft Foods Foundation Helps Populations Most At-Risk for Hunger” (2012). By contrast, press releases labeled as non-CSR have headlines such as “The Coca-Cola Company Chairman and CEO Doug Daft announces retirement plans and transition process” (2004) and “Oracle announces Oracle Cloud Resource Model application programming interface” (2010). CSR PR sentiment is overwhelmingly positive, and as the examples illustrate, CSR PRs generally represent firms as “doing good.”

3.3 Additional data and descriptive statistics

In subsequent analyses, my sample period begins with 2004 because data coverage in RavenPack is less comprehensive before 2004. The sample period ends in 2017 because the data on senator committee assignments end in 2017. The latter data come from the website of Charles Stewart III and Jonathan Woon and contain which committees each senator sits on as well as the beginning and ending dates of each assignment.⁴

3. In the CSRwire data set, firms are identified by name only. To identify which of these firms are also covered by Compustat, I match firm names in CSRwire to firm names in Compustat and obtain similar names matches based on cosine similarity using *string_grouper* in Python (see https://github.com/Bergvca/string_grouper/blob/master/README.md). A research assistant and I manually go through the name matches and keep the correct ones.

4. Charles Stewart III and Jonathan Woon. Congressional Committee Assignments, 103rd to 114th Congresses, 1993–2017: House, Senate. http://web.mit.edu/17.251/www/data_page.html

Table 1 Panel A describes the sample selection for the main sample. I merge firms that issue at least one press release in RavenPack or CSRwire with firm-year observations in Compustat that have positive assets, non-missing stockholders' equity, and non-missing net income. This process leads to 7,614 unique firms and 62,045 firm-years in the sample from 2004-2017. Requiring firm-years to have Compustat data for controls used in later analyses results in 7,478 unique firms and 58,464 firm-years from 2004-2017. Of these 7,478 firms, 4,853 firms (or 65%) issue at least one CSR PR from 2004-2017. I scrape the headquarter addresses firms provide in historical SEC filings to match firms to historical headquarter states (Gao et al., 2021). I match each firm-year to the headquarter state's senators and committee assignments.

Table 2 provides descriptive statistics at the firm-year level. Of the 58,464 firm-years from 2004-2017, CSR PRs are issued in 35% of the firm-years (*CSRPR*), and non-CSR PRs are issued in 90% of the firm-years (*NonCSRPR*). In the average firm-year, 1.85 CSR PRs are issued (*NCSRPR*) and 18.22 non-CSR PRs are issued (*NonCSRPR*). Because the frequency variables are quite right-skewed, I use the log transformation in later analyses. I also implement a keyword-search to categorize a subsample of press releases into CSR topics. Based on this subsample, Environment press releases are issued in 17% of firm-years (*EnvirPR*), social press releases are issued in 34% of firm-years (*SocialPR*), general press releases are issued in 2% of firm-years (*GeneralCSRPR*), and other CSR press releases are issued in 8% of firm-years (*OtherCSRPR*). Panel B provides descriptive statistics for the CSR-related Senate committees and the CSR-related phrases uttered by senators, and Panel C provides descriptive statistics on firm-level financial characteristics used as controls or in later tests.

3.4 Empirical strategy

To examine whether firms use CSR activity to strengthen relationships with senators who prioritize CSR policy areas, I begin with associative tests. The baseline OLS regression model is the following for firm i in state s in year t :

$$PROutcome_{it} = \beta_1 CSRChair_{st} + \beta_2 Controls_{i,t-1} + \theta_i + \tau_t + \epsilon_{ist}$$

PROutcome (“press release outcome”) is either *CSRPR*, whether a firm-year contains at least one CSR PR, or *NCSRPR*, the natural logarithm of 1 plus the number of CSR PRs issued in a firm-year. I focus on committee chairs because senators who are chairs likely have a strong personal interest in the committee’s subject area and are relatively powerful, making them better able to shield constituent firms from future political costs. *CSRChair* is either *EnvirChair*, *EnergyChair*, or *HELPChair*, which are indicators for whether a firm’s senator chairs one of three CSR-related committees in a year: Environment, Energy, or HELP. Figure 1 shades in blue the 12 states whose senators chair CSR-related committees from 2004-2017. β_1 is the coefficient of interest, and I predict β_1 to be positive if firms increase CSR activity when their senators chair these CSR-related committees.

In my main specification, I compare CSR PR issuance within a firm over time: Does the same firm issue more CSR PRs when their senator chairs a CSR-related committee than when their senator does not chair a CSR-related committee? I include a firm fixed effect, θ_i , to control for time-invariant firm-specific characteristics, and a year fixed effect, τ_t , to control for systematic trends across firms in a year.

Though I prefer the firm and year fixed effect specification for being most intuitive, I also examine an alternate specification where I estimate the following for firm i in industry j in

state s in year t :

$$PROutcome_{ijst} = \beta_1 CSRChair_{st} + \beta_2 Controls_{ijs,t-1} + \delta_{jt} + \gamma_s + \epsilon_{ijst}$$

Compared to the main specification, the alternative loosens the fixed effect structure. An industry-year fixed effect, δ_{jt} , compares firms in the same 2-digit SIC industry and year, so variation in $CSRChair$ comes from these firms having headquarters in different states and thus different senators. For example, the industry-year fixed effect compares CSR PRs for Flexsteel Industries and Ethan Allen Interiors, both in the furniture and fixtures industry in 2009. Flexsteel's headquarters in Iowa were represented by Senator Tom Harkin, who chaired the HELP committee in 2009, and Ethan Allen's headquarters were in Connecticut. A state fixed effect, γ_s , controls for time-invariant characteristics of states, comparing firms in the same state over time. With the state fixed effect, variation in $CSRChair$ comes from comparing years within a state when a senator was or was not chair of a CSR-related committee. For example, the state fixed effect compares CSR PRs for Flexsteel Industries in 2009 with another Iowa-headquartered firm, Casey's General Stores, in 2005 when neither senator from Iowa chaired the HELP committee. Of the two specifications, the within-firm design is more intuitive to help answer whether firms change CSR activity in response to their senators' CSR priorities because the design compares firms' CSR press release issuance when their senators chair and do not chair CSR-related committees.

Across all regressions, I control for lagged $Size$, ROA , and $Tobin'sQ$, because a firm's size, profitability, and growth opportunities may affect CSR activity. Robust standard errors are clustered by state because the treatment (whether a senator chairs a CSR-related committee) varies at the state level.

CHAPTER 4

RESULTS

4.1 Primary analysis

Table 5 presents the OLS estimation results for the primary test on the relation between a senator prioritizing CSR and corporate CSR activity. Panel A presents the main specification with firm and year fixed effects. Columns (1)-(3) examine the dependent variable, *CSRPR*, an indicator for whether a firm-year contains at least one CSR PR. Columns (4)-(6) examine the dependent variable, *NCSRPR*, which captures the frequency of CSR PRs in a firm-year. The results indicate that when senators chair these committees, constituent firms are more likely to issue CSR PRs and issue more of them. For the Environment committee, the coefficients on *EnvirChair* in columns (1) and (4) are positive and statistically significant at the 1% level. In economic terms, the coefficient of 0.021 in column (1) indicates constituent firms are 6.0% more likely to issue a CSR PR when a senator chairs the Environment committee, and the coefficient of 0.025 in column (4) indicates a senator chairing the Environment committee is associated with a 3.9% increase in the frequency of issuing CSR PRs.¹ For the HELP committee, the coefficients on *HELPChair* are positive and statistically significant at the 5% level in columns (3) and (6). The analogous interpretation is that when a senator chairs the HELP committee, constituent firms become 3.4% more likely to issue a CSR PR and issue 2.3% more CSR PRs.²

These implications remain consistent in Panel B, which presents the alternate specification with an industry-year fixed effect and a state fixed effect. Compared with the within-firm

1. For column (1), the mean of *CSRPR* for firm-years when a senator is not the chair of the Environment and Public Works committee is 0.35. $6.0\% = 0.021/0.35$. For column (4), the mean of *NCSRPR* for firm-years when a senator is not the chair of the Environment and Public Works committee is 1.81. $3.9\% = ((e^{0.025} - 1)(1 + 1.81)/1.81)$.

2. For column (3), the mean of *CSRPR* for firm-years when a senator is not the chair of the HELP committee is 0.35. $3.4\% = 0.012/0.35$. For column (6), the mean of *NCSRPR* for firm-years when a senator is not the chair of the HELP committee is 1.82. $2.3\% = ((e^{0.015} - 1)(1 + 1.82)/1.82)$.

design in Panel A, the coefficients in Panel B are larger in magnitude for the Environment and HELP committees. Columns (1) and (4) indicate that when a senator chairs the Environment committee, constituent firms are 7.1% more likely to issue a CSR PR, and having a senator chair the Environment committee is associated with a 5.5% increase in the frequency of issuing CSR PRs.³ Of the two specifications, the within-firm design is more intuitive to help answer whether firms use CSR activity to respond to their senators' CSR priorities because the design compares firms' CSR press release issuance when their senators chair and do not chair CSR-related committees.

The main specification indicates constituent firms are more likely to issue CSR PRs when senators chair the Environment and HELP committees, yet the results based on the Energy committee are slightly more nuanced. When senators chair the Energy committee, the coefficients are small and not statistically distinguishable from zero in Panel A and negative and statistically significant at the 5% level in Panel B. Based on keywords in the content of a subsample of press releases (see Appendix B for more details), I divide these press releases into CSR categories. If firms increase CSR activity when their senators prioritize CSR issues, I would expect firms to increase the type of CSR specifically covered by a senator's CSR-related committee. For example, I expect firms to increase CSR related to the environment when their senator chairs the Environment or Energy committees. As described in Table 6, I observe that when senators chair the Environment or Energy committees, constituent firms are more likely to issue environment press releases. When senators chair the HELP committee, firms issue more social press releases. Together, these results are consistent with firms increasing CSR activity according to senators' CSR priorities.

I further explore the heterogeneity within firms' CSR press release issuance. If the change in CSR press releases is driven by press releases communicating activities of relatively small

3. For column (1), the mean of *CSRPR* for firm-years when a senator is not the chair of the Environment and Public Works committee is 0.35. $7.1\% = 0.025/0.35$. For column (4), the mean of *NCSRPR* for firm-years when a senator is not the chair of the Environment and Public Works committee is 1.81. $5.5\% = ((e^{0.035} - 1)(1 + 1.81)/1.81)$.

size and scope, then firms are more likely using press releases opportunistically to create a positive CSR perception. I use two proxies for activity size: whether a press release is qualitative (i.e., the headline does not contain any dollar amounts or percentages) and whether a press release is less costly (i.e., the headline does not contain any dollar amount in millions or greater). 93% of the CSR press releases in the subsample are qualitative rather than quantitative and only 3% of the CSR press releases in the subsample communicate activity that costs over \$1 million. In Table 7 Panel A, I find that when senators chair the Environment and HELP committees, constituent firms issue more qualitative and less costly press releases. I also explore whether the change in CSR press releases is driven by press releases communicating past activities versus future activities because it may be easier for firms to strategically choose past activities to publicize when convenient. 60% of the press releases in the subsample communicate past activity while 40% communicate future activity. Similar to in Panel B, I find that firms issue more press releases about past activities when senators chair the Environment and HELP committees. These two pieces of evidence suggest firms use CSR press releases strategically to create a positive CSR perception when senators prioritize CSR policy areas.

Next, I explore the local media environment as a potential mechanism for the documented main association. When firms disclose CSR activity through press releases, local communities likely learn of the activity from news coverage rather than from the press releases themselves. In the eSolar example, the *Los Angeles Times* devoted two articles to the solar plant project around its launch. The more news coverage the activity receives, the more opportunities the senator has to claim credit for this activity. Consequently, I would expect that when a senator chairs a CSR-related committee, constituent firms are more likely to issue CSR PRs when press releases receive more news coverage. Ideally, I would examine these press release outcomes based on more or less news coverage of the press releases. Due to data limitations, I proxy for news coverage with the number of local newspapers in a state as of 2004, the

beginning of my sample period, which comes from *The Expanding News Desert*, compiled by Penelope Muse Abernathy.⁴ Because the number of local newspapers is likely related to stronger economic development, which may also impact corporate CSR activity, I adjust the number of local newspapers by the state’s population in 2004, as provided by the Census Bureau. I assume that the number of new or closed local newspapers per capita changes at the same rate across states after 2004. If a state’s number of local newspapers per capita is greater than the median, then *MoreLocalNewspapers* is equal to 1, and 0 otherwise. I also add controls for state-level GDP per capita and personal income per capita in 2004, as provided by the Bureau of Economic Analysis. I interact these state-level economic controls with *CSRChair*.

Table 8 presents the results of interacting *CSRChair* with *MoreLocalNewspapers*. Across the Environment and Energy committees, the coefficients on the interaction are positive and statistically significant at the 1% level, which is consistent with the local media environment moderating the relationship between senator CSR priorities and corporate CSR activity. The coefficients are negative, and in one case, statistically significant, however, for the HELP committee. Thus, for two of the three CSR-related committees, treated firms in states with relatively more local newspapers per capita issue more CSR PRs, suggesting that the local media environment plays a moderating role in the firm’s disclosure of CSR activity through press releases.

4.2 Identification

My primary finding might be subject to alternative explanations. For example, a common factor may both lead senators to chair CSR-related committees and influence corporate CSR activity. In addition, firms are “treated” in only 12 states in the primary design due to the small number of senators serving as chairs of relevant committees. To tighten

4. The data are available at <https://www.usnewsdeserts.com/>

the identification and increase the generalizability of my findings, I turn to a staggered difference-in-differences (“DiD”) design. This design exploits plausibly exogenous departures of senators from CSR-related committees in 2004-2017 and examines firms’ CSR PRs after these departures. I shift the focus to all members of a CSR-related committee rather than chairs to increase the set of plausibly exogenous events and increase the number of states experiencing treatment. The goal of this design is to examine how an unanticipated shock to a senator’s CSR priorities, from the firm’s perspective, affects the firm’s CSR activity. I implement a monthly design, which is possible due to the high-frequency nature of press releases. An advantage of this design is that observed changes in CSR PRs within a narrow window are more plausibly driven by the departures rather than by other concurrent events.

I define a plausibly exogenous departure as a sudden death, appointment to the executive branch, or committee transfer; this definition largely follows prior papers that use a similar design based on committee departures, such as Mehta et al. (2020), Cuny et al. (2020), and Yue et al. (2022).⁵ As an example of a sudden death, Senator Craig Thomas of Wyoming sat on both the Energy and Environment committees in 2007. He was diagnosed with cancer in November 2006, reported he was feeling better in early 2007, but then on June 4, 2007, was reported to be in serious condition from a chemotherapy-related infection and passed away later that day. In an executive appointment, the president asks a senator to serve in the Cabinet or executive branch. Once appointed, senators shift focus away from their states and no longer face re-election pressure. For example, Senator Max Baucus of Montana, who sat on the Environment committee, was appointed ambassador to China by President Obama and left the Senate on February 6, 2014, to assume the new role. In a committee transfer, a vacancy first opens on another committee; then, a senator can transfer to join the more powerful committee or to further a certain policy interest if the senator has sufficient seniority

5. I exclude departures due to retirement or election defeat, because these events are easier for firms to anticipate and could also reflect changes in local economic conditions that may impact corporate CSR activity. By contrast, departures due to death, executive appointment, or committee transfer are largely out of the control of firms and are more difficult for firms to anticipate.

(Bullock, 1973). Firms may expect their senators to transfer to more powerful committees eventually; however, firms would have difficulty predicting the timing of when the transfer would arise, because transfers depend on when vacancies open on other committees. Across the three CSR-related committees from 2004-2017, 43 plausibly exogenous departures occur. In Figure 2, a map shows the 31 states shaded in blue that experience a plausibly exogenous departure from a CSR-related committee during 2004-2017.

I match firms in treated states to firms in control states through the following procedure. For each plausibly exogenous departure, I create a set of potential control firms in different states than the treated state. These potential control firms must meet the following requirements: (1) They must have a senator who sits on the same CSR-related committee where the departure takes place; and (2) within two years prior to and two years after the departure, the potential control firm must not experience a senator departure from the focal committee. I require treated and control firms to be in the same industry by 2-digit SIC code. Within this set of possible control firms, I use coarsened exact matching to create groups of matched treated and control firms with similar size, ROA, Tobin’s Q, and leverage as of two years prior to the departure (Iacus et al., 2012) To illustrate the matching, consider the departure of Senator Baucus of Montana from the Environment committee in February 2014. A firm treated by this departure is Eagle Bancorp Montana, a depository institution. Coarsened exact matching puts Eagle Bancorp Montana in a group with control firms that are also depository institutions with a similar financial profile as of 2012. For example, one of these control firms is Severn Bancorp, a depository institution headquartered in Maryland, which can be a control firm because Maryland Senator Benjamin Cardin sits on the Environment committee during the four-year window around Senator Baucus’ February 2014 departure.

I estimate the following DiD regression for firm i in group g in state s in month t :

$$PROutcome_{ist} = \beta_1 Treat_{i,s} \times Post_t + \beta_2 Treat_{i,s} + \beta_3 Post_t + \mu_g + \gamma_s + \tau_t + \delta_{jt} + \epsilon_{ist}$$

$PROutcome$ is either $CSRPR$, whether a firm-month contains at least one CSR PR, or $NCSRPR$, the log transformation of 1 plus the number of CSR PRs issued in a firm-month. β_1 on $Treat \times Post$ is the coefficient of interest and captures the effect of the senator departure on firm press release outcomes. If firms increase CSR activity when their senators prioritize CSR issues, I would expect firms to decrease CSR activity after a senator departure, which would make β_1 negative. In the case of a death or executive appointment, the firm has less incentive to strengthen this political relationship, and in the case of a committee transfer, the firm has less incentive to use CSR to strengthen this relationship, because the senator has changed their priorities.

For each senator departure, I include 24 months prior to and three months after the departure month for both treated and control firms.⁶ Measuring CSR activity through press releases allows me to focus on a narrow post-period window where changes during that period are more likely due to the senator departure. To compare within each group produced by coarsened exact matching, I include μ_g , a group fixed effect that is unique for each group of matched treated-control firms for each plausibly exogenous event. I include a state fixed effect, γ_s , to control for time-invariant characteristics of each state, a month fixed effect, τ_t , to control for macroeconomic factors particular to a month that may contribute to firm press release outcomes, and an industry-year fixed effect, δ_{jt} , to control for trends influencing a 2-digit SIC industry in a given year. Robust standard errors are clustered by state.

Table 9 Panel A presents the results. After a plausibly exogenous departure of a senator from a CSR-related committee, treated firms are significantly less likely to issue a CSR PR and issue fewer CSR PRs. In columns (1) and (2), the coefficients on $Treat \times Post$ on the likelihood of issuing CSR PRs and the frequency of CSR PRs are -0.009 and -0.008, respectively, and statistically significant at the 1% level. As an example of magnitudes,

6. I follow prior work in choosing a 24-month pre-period (Mehta et al., 2020; Yue et al., 2022).

treated firms become 12.2% less likely to issue CSR PRs than control firms.⁷ Figure 3 presents parallel trends in event-time quarters showing the 24-month pre-period for the frequency of CSR press releases; quarters -5 through -8 are collapsed into quarter -5. Prior to the senator departure, the difference in CSR PRs between treated and control firms is generally positive, but the coefficient is statistically indistinguishable from zero. After the departure, as reflected in Table 9 Panel A, treated firms issue significantly fewer CSR press releases relative to control firms.

Because 35% of firms in the sample do not issue a CSR PR from 2004-2017, I also estimate the DiD on the 65% of firms that do issue at least one CSR PR. Thus, treated and control firms must both issue at least one CSR press release from 2004-2017. Table 9 Panel B presents this analysis. The coefficients on $Treat \times Post$ become slightly more negative in magnitude and are statistically significant at the 5% level, indicating that treated firms continue to become less likely to issue CSR PRs relative to control firms. Additionally, Table 9 Panel C presents the DiD results when a firm fixed effect is added to control for time-invariant firm-specific factors. Compared to the coefficients on $Treat \times Post$ in Panel A, the coefficients in Panel C are slightly smaller at -0.007 for both columns (1) and (2) and are statistically significant at the 5% level. Across all three panels in the DiD design, the interpretation remains consistent that constituent firms use CSR activity in response to senators' CSR priorities.

4.3 Robustness tests

I conduct additional robustness analyses on the primary relation. One might be concerned that the association between chairing a CSR-related committee and issuing more CSR press releases reflects senator seniority or influence over financial policy. That is, because all committee chairs are relatively senior and influential, constituent firms may instead choose

7. The mean of $CSRPR$ for control firms during pre-periods is 0.074. $12.2\% = 0.009/0.074$.

their CSR activity to strengthen relationships with senators for this reason. In Table 10 Panel A, I add controls for whether a senator chairs a finance-related committee (i.e., the Finance committee or the Banking, Housing, and Urban Affairs committee), and re-estimate the association between chairing a CSR-related committee and issuing CSR press releases. If this alternative explanation influences the results, I would expect the coefficients on *FinanceChair* or *BankingChair* to be positive and statistically significant and the coefficients on the CSR-related chair indicators to weaken. Instead, the coefficients on *FinanceChair* and *BankingChair* are almost all statistically indistinguishable from zero, and the coefficients on *EnvirChair*, *EnergyChair*, and *HELPCChair* are quantitatively similar to Table 5. This robustness test provides some comfort that the positive relation between having a CSR-related chair and issuing more CSR PRs is not driven by non-CSR-related senator seniority and influence.

Next, one might be concerned that in the associative design with 12 treated states, any one state may be driving the results. In Table 10 Panel B, I run a weighted least squares regression that uses the number of firms in a state as weights. This specification adjusts for the fact that there are many more firms in the sample headquartered in California than, say, New Mexico. In Panel B, the coefficients on all CSR-related committee chairs are positive and statistically significant except in column (5). The coefficients are also all larger in magnitude than in the main specification in Table 5. This analysis reassures me that the results are not driven by any one treated state; if anything, adjusting for the composition of firms across states in my sample strengthens the interpretation drawn from the primary analyses.

Finally, because 35% of firms in the sample do not issue a CSR PR from 2004-2017, one might want to focus on the subsample of firms that issue at least one CSR PR from 2004-2017. In Table 10 Panel C, I run the same specification from Table 5 on the 65% of firms in the sample that issue at least one CSR PR from 2004-2017. As in Table 5, the coefficients

on *EnvirChair* and *HELPChair* are positive and statistically significant at the 5% level in columns (1), (3), (4), and (6). The coefficients on *EnergyChair* are not statistically distinguishable from zero. Overall, triangulating across the analyses, the findings support the prediction that when a senator prioritizes CSR issues, constituent firms increase CSR activity.

4.4 Further evidence on CSR as politically motivated

Finally, I provide additional evidence that the changes in CSR press release issuance are politically motivated. First, I examine the political contributions of firms' executives to senators of the headquarter state.⁸ If executives contributed more to their senators in the past, then they may have a stronger personal political relationship that they want to protect by providing senators more credit-claiming opportunities. In Table 11, I find that when senators chair the Environment and HELP committees, firms that contributed relatively more to those senators drive the CSR press release response. Second, I explore a potential benefit firms could receive by using CSR press releases to strengthen these political relationships. Specifically, I examine government contracts, and in Table 12, I find that issuing more CSR press releases is positively associated with earning revenue from the U.S. government the following year. Though I interpret these results cautiously, they help to triangulate with the primary analysis and the DiD to support the prediction that firms use CSR activity to strength relationships with senators who prioritize CSR policy areas.

8. I am grateful to Adam Bonica for providing individual political contribution data publicly. The data can be accessed at: <https://data.stanford.edu/dime>. *Database on Ideology, Money in Politics, and Elections: Public version 2.0* [Computer file]. Stanford, CA: Stanford University Libraries.

CHAPTER 5

CONCLUSION

As firms have increasingly focused on communities as stakeholders, a firm's CSR activity and political landscape have grown increasingly intertwined. I study whether firms use CSR activity to strengthen relationships with senators who prioritize CSR policy areas. When firms carry out CSR activity, they can strengthen relationships with local communities and their elected officials. These relationships can help the firm avoid future political costs, especially if politicians are known to prioritize CSR issues. Furthermore, disclosure acts as an important mechanism to raise awareness of the CSR activity with local communities and provide more opportunities for senators to point to CSR activity in their constituencies.

I predict that constituent firms will increase CSR activity to strengthen relationships with senators who prioritize CSR issues. In my primary analysis, I find that when senators chair the Environment or HELP committees, firms become more likely to issue CSR press releases and issue more of them. The CSR press release response comes mainly from press releases about activity that is relatively small in size and scope, suggesting that firms may be able to strategically use CSR news to respond to their political landscape. In the DiD with tighter identification, I find that after senators depart the CSR-related committees, firms become less likely to issue CSR press releases and issue fewer of them. Finally, I find suggestive evidence that after firms issue CSR press releases, they become more likely to gain government contracts. Though I bolster the analyses through robustness tests, I interpret my results cautiously. I encourage future research to continue to explore press releases as a source of information on corporate CSR activity and to further examine the relationship between a firm's political landscape and its CSR.

REFERENCES

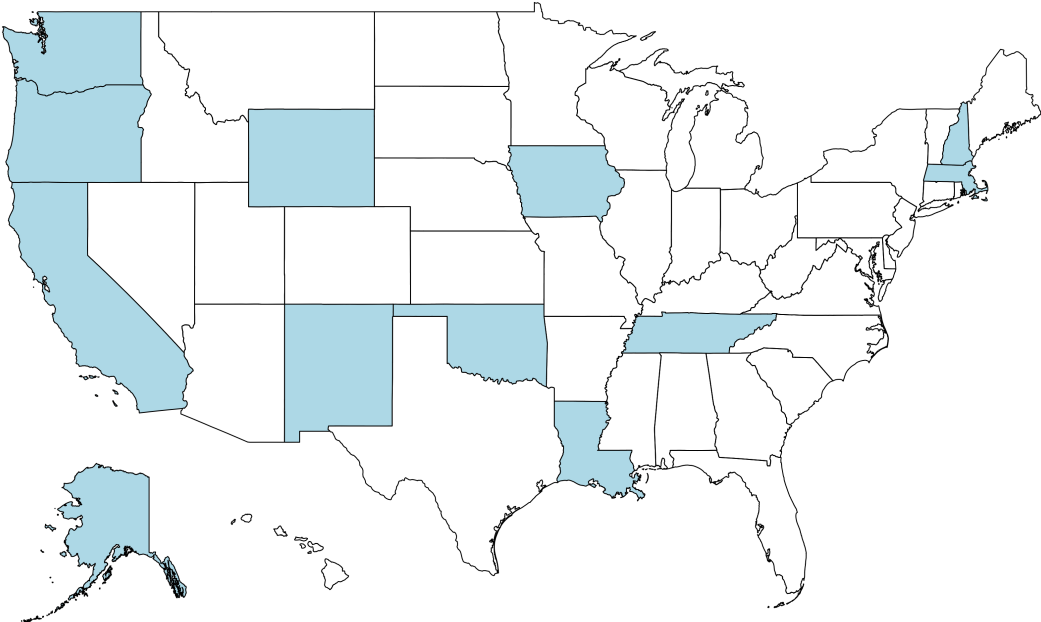
- ADM. ADM begins operations for second carbon capture and storage project. *Archer Daniels Midland*, 2017. URL <https://investors.adm.com/news/news-details/2017/ADM-Begins-Operations-for-Second-Carbon-Capture-and-Storage-Project/default.aspx>.
- Christopher R. Berry and Anthony Fowler. Congressional committees, legislative influence, and the hegemony of chairs. *Journal of Public Economics*, 158:1–11, February 2018. ISSN 00472727. doi: 10.1016/j.jpubeco.2017.12.002. URL <https://linkinghub.elsevier.com/retrieve/pii/S0047272717302049>.
- Marianne Bertrand, Matilde Bombardini, Raymond Fisman, and Francesco Trebbi. Tax-Exempt Lobbying: Corporate Philanthropy as a Tool for Political Influence. *American Economic Review*, 110(7):2065–2102, July 2020. ISSN 0002-8282. doi: 10.1257/aer.20180615. URL <https://www.aeaweb.org/articles?id=10.1257/aer.20180615>.
- Andrew Bird, Stephen A. Karolyi, and Thomas Ruchti. How do Firms Respond to Uncertainty? Evidence from U.S. Gubernatorial Elections. SSRN Scholarly Paper ID 2986678, Social Science Research Network, Rochester, NY, 2020. URL <https://papers.ssrn.com/abstract=2986678>.
- Khrystyna Bochkay, Stephen V. Brown, Andrew J. Leone, and Jennifer W. Tucker. Textual analysis in accounting: What’s next? *Contemporary Accounting Research*, 2022. URL <https://doi.org/10.1111/1911-3846.12825>.
- Jonathan Brogaard, Matthew Denes, and Ran Duchin. Political influence and the renegotiation of government contracts. *Review of Financial Studies*, 34:3095–3137, 2021. URL doi:10.1093/rfs/hhaa093.
- Charles S. Bullock. Committee transfers in the United States House of Representatives. *Journal of Politics*, 35(1):85–120, February 1973. URL <https://www.jstor.org/stable/2129039>.
- BusinessRoundtable. Business Roundtable redefines the purpose of a corporation to promote ‘an economy that serves all Americans’. *Business Roundtable*, 2019. URL <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>.
- Hans B. Christensen, Luzi Hail, and Christian Leuz. Mandatory CSR and sustainability reporting: economic analysis and literature review. *Review of Accounting Studies*, 26(3): 1176–1248, September 2021. ISSN 1380-6653, 1573-7136. URL <https://link.springer.com/10.1007/s11142-021-09609-5>.

- Lauren Cohen, Joshua Coval, and Christopher Malloy. Do Powerful Politicians Cause Corporate Downsizing? *Journal of Political Economy*, 119(6):1015–1060, December 2011. ISSN 0022-3808, 1537-534X. doi: 10.1086/664820. URL <https://www.journals.uchicago.edu/doi/10.1086/664820>.
- Christine Cuny, Jungbae Kim, and Mihir N. Mehta. Politically Connected Governments. *Journal of Accounting Research*, 58(4):915–952, September 2020. ISSN 0021-8456, 1475-679X. doi: 10.1111/1475-679X.12325. URL <https://onlinelibrary.wiley.com/doi/10.1111/1475-679X.12325>.
- Christine Cuny, Jungbae Kim, and Mihir N. Mehta. Political costs and strategic corporate communication. *Working Paper*, 2022. URL https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4102423.
- Christopher J. Deering and Steven S. Smith. *Committees in Congress*. CQ Press, 1997.
- Jacob Devlin, Ming-Wei Chang, Kenton Lee, and Kristina Toutanova. BERT: Pre-training of deep bidirectional transformers for language understanding. *arXiv:1810.04805*, 2019. URL <https://arxiv.org/abs/1810.04805>.
- Sarah J. Eckman. Senate committee party ratios: 98th - 117th Congresses. *Congressional Research Service*, April 2021. URL <https://crsreports.congress.gov/product/pdf/RL/RL34752/16>.
- Richard F. Fenno. *Congressmen in committees*. Little Brown, 1973.
- Mingze Gao, Henry Leung, and Buhui Qiu. Organization capital and executive performance incentives. *Journal of Banking & Finance*, 123, 106017, 2021. URL <https://doi.org/10.1016/j.jbankfin.2020.106017>.
- Paul A. Griffin and Yuan Sun. Going green: Market reaction to CSR newswire releases. *Journal of Accounting and Public Policy*, 32(2):93–113, 2013. URL <https://doi.org/10.1016/j.jaccpubpol.2013.02.002>.
- Justin Grimmer, Solomon Messing, and Sean J. Westwood. How words and money cultivate a personal vote: The effect of legislator credit claiming on constituent credit allocation. *The American Political Science Review*, 106(4):703–719, November 2012. doi: 10.1017/S0003055412000457.
- Tarek A. Hassan, Stephan Hollander, Laurence van Lent, and Ahmed Tahoun. Firm-level political risk: Measurement and effects. *The Quarterly Journal of Economics*, 134(4): 2135–2202, 2020. URL <https://doi.org/10.1093/qje/qjz021>.
- Claire Hettinger and Tom Lisi. ADM touts latest carbon capture well. *Herald & Review*, 2017. URL https://herald-review.com/news/local/adm-touts-latest-carbon-capture-well/article/_d22c9592-91c0-5608-85bd-c62bb74dd89e.html.

- Allen Huang, Hui Wang, and Yi Yang. FinBERT — A large language model for extracting information from financial text. *Contemporary Accounting Research*, 2022. URL <https://doi.org/10.1111/1911-3846.12832>.
- Ying Huang. Government subsidies and corporate disclosure. *Journal of Accounting and Economics*, 2022. URL <https://doi.org/10.1016/j.jacceco.2022.101480>.
- Stefano Iacus, Gary King, and Giuseppe Porro. Causal inference without balance checking: coarsened exact matching. *Political Analysis*, 20(1):1–24, 2012. URL <https://doi.org/10.1093/pan/mpr013>.
- Robert Innes and Abdoul G. Sam. Voluntary Pollution Reductions and the Enforcement of Environmental Law: An Empirical Study of the 33/50 Program. *The Journal of Law and Economics*, 51(2):271–296, May 2008. ISSN 0022-2186, 1537-5285. doi: 10.1086/589659. URL <https://www.journals.uchicago.edu/doi/10.1086/589659>.
- Jennifer Jones. Earnings management during import relief investigations. *Journal of Accounting Research*, 29(2):193–228, 1991. URL <https://doi.org/10.2307/2491047>.
- Feng Li, Russell Lundholm, and Michael Minnis. A measure of competition based on 10-K filings. *Journal of Accounting Research*, 51(2):399–436, 2013. URL <https://doi.org/10.1111/j.1475-679X.2012.00472.x>.
- Karen Jingrong Lin, Jinsong Tan, Liming Zhao, and Khondkar Karim. In the name of charity: Political connections and strategic corporate social responsibility in a transition economy. *Journal of Corporate Finance*, 32:327–346, June 2015. ISSN 09291199. doi: 10.1016/j.jcorpfin.2014.10.007. URL <https://linkinghub.elsevier.com/retrieve/pii/S0929119914001230>.
- Mihir Mehta and Wanli Zhao. Politician careers and SEC enforcement against financial misconduct. *Journal of Accounting and Economics*, 69(2-3), February 2020. doi: 10.1016/j.jacceco.2020.101302. URL <https://doi.org/10.1016/j.jacceco.2020.101302>.
- Mihir N. Mehta, Suraj Srinivasan, and Wanli Zhao. The Politics of M&A Antitrust. *Journal of Accounting Research*, 58(1):5–53, March 2020. ISSN 0021-8456, 1475-679X. doi: 10.1111/1475-679X.12291. URL <https://onlinelibrary.wiley.com/doi/10.1111/1475-679X.12291>.
- Gregory S. Miller and Douglas J. Skinner. The evolving disclosure landscape: How changes in technology, the media, and capital markets are affecting disclosure. *Journal of Accounting Research*, 53(2):221–239, 2015. URL <https://doi.org/10.1111/1475-679X.12075>.
- Austin Moss, James P. Naughton, and Clare Wang. The irrelevance of ESG disclosures to retail investors: Evidence from Robinhood. *Working Paper*, 2020. URL https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3604847.

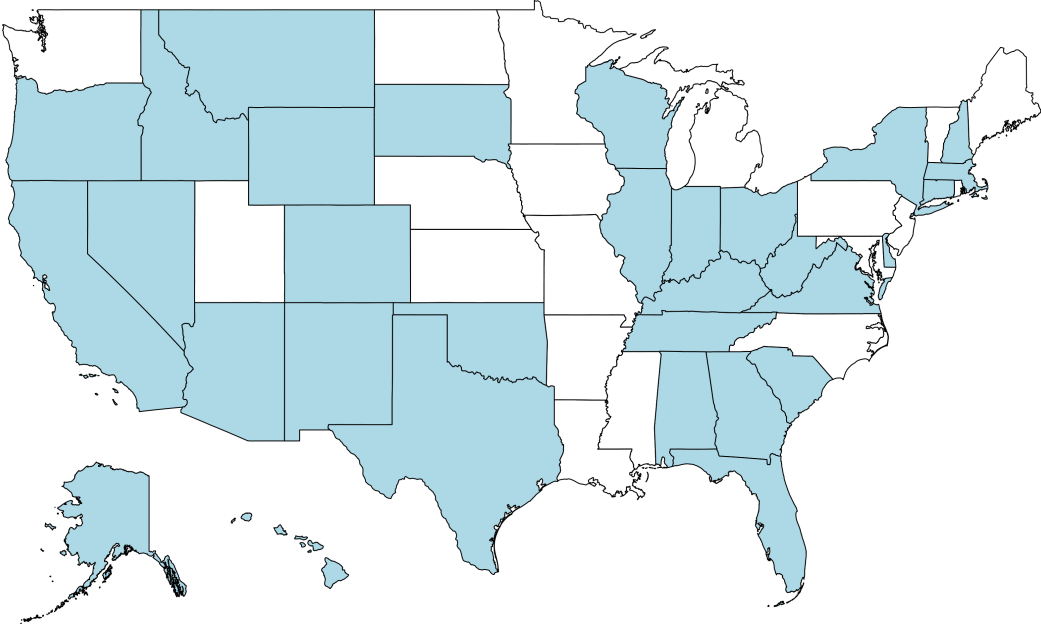
- Karthik Ramanna and Sugata Roychowdhury. Elections and discretionary accruals: Evidence from 2004. *Journal of Accounting Research*, 48(2):445–475, 2010. URL <https://doi.org/10.1111/j.1475-679X.2010.00373.x>.
- Erin M. Reid and Michael W. Toffel. Responding to public and private politics: corporate disclosure of climate change strategies. *Strategic Management Journal*, 30(11):1157–1178, November 2009. ISSN 01432095, 10970266. doi: 10.1002/smj.796. URL <https://onlinelibrary.wiley.com/doi/10.1002/smj.796>.
- David Schoenherr. Political connections and allocative distortions. *Journal of Finance*, 74(2):543–586, 2019. URL <https://doi.org/10.1111/jofi.12751>.
- John V. Sullivan. H. Doc. 49, 110th Congress: How our laws are made. *House of Representatives*, July 2007. URL <https://www.govinfo.gov/content/pkg/CD0C-110hdoc49/pdf/CD0C-110hdoc49.pdf>.
- UnitedHealth. UnitedHealth Group launches online version of “NOT ME” Diabetes Prevention Program. 2013. URL <https://www.businesswire.com/news/home/20131111005091/en/UnitedHealth-Group-Launches-Online-Version-of-NOT-ME-Diabetes-Prevention-Program>.
- U.S.Senate. Senate Hearing 114-514: Examining employer wellness programs: Better health outcomes and lower costs, 2015. URL <https://www.govinfo.gov/content/pkg/CHRG-114shrg93181/pdf/CHRG-114shrg93181.pdf>.
- U.S.Senate. Senate Hearing 115-104: Expanding and accelerating the deployment and use of carbon capture, utilization, and sequestration, 2017. URL <https://www.govinfo.gov/content/pkg/CHRG-115shrg27318/pdf/CHRG-115shrg27318.pdf>.
- Ross Watts and Jerold Zimmerman. Towards a positive theory of the determination of accounting standards. *The Accounting Review*, 53(1):112–134, January 1978. URL <https://www.jstor.org/stable/245729>.
- Heng Yue, Liandong Zhang, and Qinlin Zhang. The politics of bank opacity. *Journal of Accounting and Economics*, 2022. doi: 10.1016/j.jacceco.2021.101452. URL <https://doi.org/10.1016/j.jacceco.2021.101452>.
- Jianjun Zhang, Christopher Marquis, and Kunyuan Qiao. Do Political Connections Buffer Firms from or Bind Firms to the Government? A Study of Corporate Charitable Donations of Chinese Firms. *Organization Science*, 27(5):1307–1324, October 2016. ISSN 1047-7039, 1526-5455. doi: 10.1287/orsc.2016.1084. URL <http://pubsonline.informs.org/doi/10.1287/orsc.2016.1084>.

Figure 1: States Whose Senators Chair CSR Committees (2004-2017)



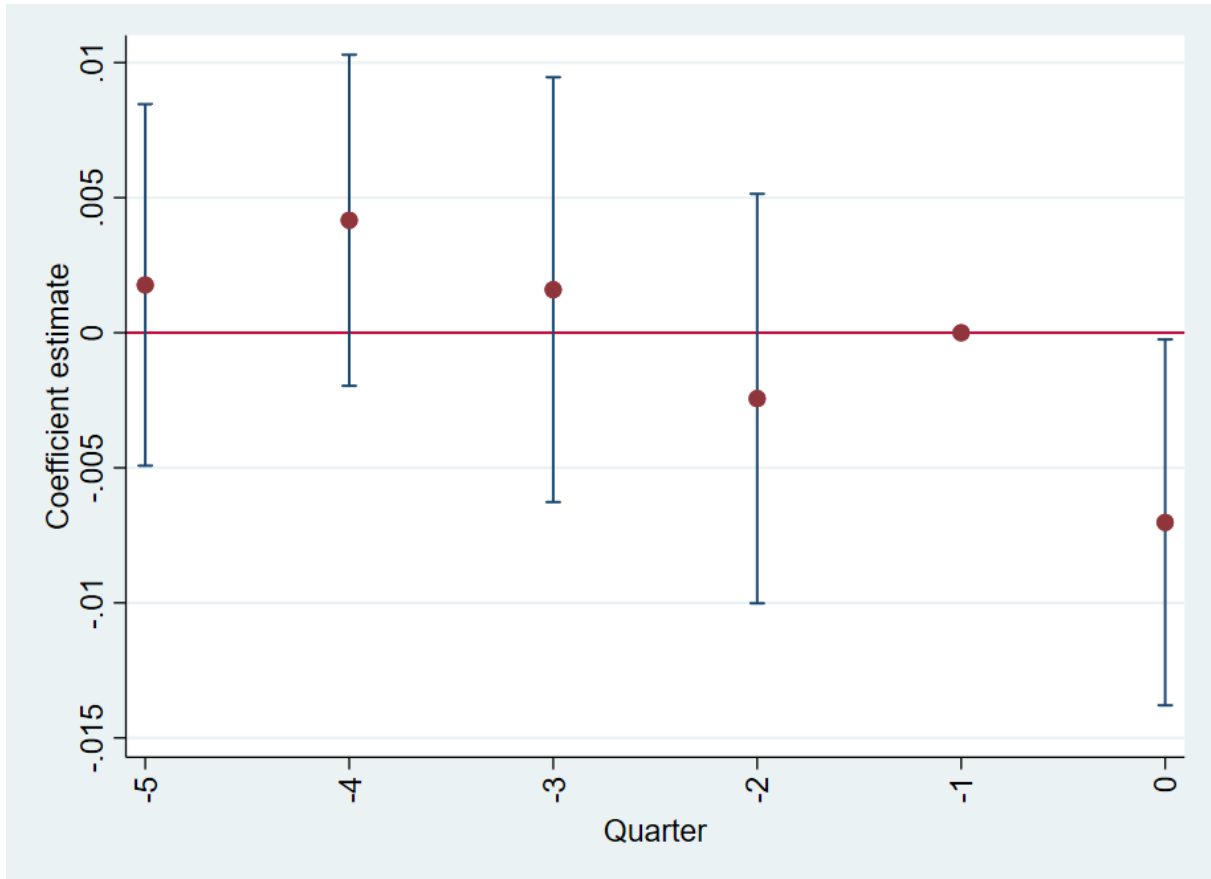
This figure illustrates a map of the United States. States whose senators chair CSR-related committees from 2004-2017 are shaded in blue.

Figure 2: States with Plausibly Exogenous Departures from CSR Committees (2004-2017)



This figure illustrates a map of the United States. States experiencing plausibly exogenous departures of senators from CSR-related committees from 2004-2017 are shaded in blue.

Figure 3: Parallel Trends around Senator Departures



This figure illustrates parallel trends for the difference-in-differences design. The pre-period has two years, with quarters -8 to -5 aggregated into -5 on the graph. The post-period has three months represented by quarter 0. Quarter -1 is omitted as the benchmark period. The coefficients and 90% confidence intervals are estimated from the differences-in-differences regression of $NCSRPR$, where $Post$ is replaced with quarterly event-time indicators. The regression includes group fixed effects, state fixed effects, month fixed effects, and industry-year fixed effects.

Table 1: Sample Selection for Firm-years and Press Releases

Panel A: Sample selection for firm-years				
	Change	Firm-years	Change	Firms
Starting Compustat obs. (2004-2017)		76,732		10,442
Less:				
Not matched to RavenPack	(14,687)		(2,828)	
Missing financial control variables	(3,581)		(136)	
Main sample observations		58,464		7,478
Panel B: Sample selection for press releases				
	Change	Press releases		
Obs. in RavenPack from Compustat (2000-2021)		3,182,178		
Less:				
Duplicate press releases	(1,142,596)			
Empty press releases	(74)			
Mis-categorized (credit and analyst ratings)	(180,673)			
Mis-categorized (other)	(1,065)			
Plus:				
Observations in CSRwire	10,613			
Less:				
Pre-2004 or post-2017	(547,767)			
Main sample press releases (2004-2017)		1,320,616		
CSR		121,406		
Non-CSR		1,199,210		
Pilot sample press releases (2004-2017)		100,520		
CSR		12,398		
Non-CSR		88,122		

This table presents the sample selection. **Panel A** describes the selection of firm-years and unique firms, where starting Compustat observations (2004-2017) are observations with positive assets, non-missing stockholders' equity, and non-missing net income. The main sample has 58,464 firm-years from 7,478 unique firms. The number of observations listed in subsequent analyses may differ due to the needs of certain fixed-effect structures. **Panel B** describes the selection of press releases within RavenPack and the addition of press releases from CSRwire. The main sample (2004-2017) reflects 1,320,616 total press releases. The pilot sample (2004-2017) reflects 100,520 total press releases. The pilot sample is drawn from states with variation in a CSR-related committee chair position. Within these states, the pilot sample comprises firms in the S&P500 headquartered in those states (if existing); if a state does not have S&P500 firms headquartered there, all firms from the state are used in the pilot sample.

Table 2: Descriptive Statistics

Panel A: Press releases								
	Mean	SD	Min	P10	P50	P90	Max	Firm-year
<i>CSRPR</i>	0.35	0.48	0.00	0.00	0.00	1.00	1.00	58,464
<i>NonCSRPR</i>	0.90	0.30	0.00	1.00	1.00	1.00	1.00	58,464
<i>NCSRPR</i>	1.85	6.66	0.00	0.00	0.00	4.00	366.00	58,464
<i>NNonCSRPR</i>	18.22	24.09	0.00	1.00	14.00	35.00	1,150.00	58,464
<i>NAllPR</i>	20.06	28.50	0.00	1.00	15.00	39.00	1,390.00	58,464
<i>EnvirPR</i>	0.07	0.25	0.00	0.00	0.00	0.00	1.00	58,464
<i>SocialPR</i>	0.11	0.32	0.00	0.00	0.00	1.00	1.00	58,464
<i>GeneralCSRPR</i>	0.02	0.14	0.00	0.00	0.00	0.00	1.00	58,464
<i>OtherCSRPR</i>	0.03	0.17	0.00	0.00	0.00	0.00	1.00	58,464
<i>NEnvirPR</i>	0.17	1.01	0.00	0.00	0.00	0.00	43.00	58,464
<i>NSocialPR</i>	0.34	1.74	0.00	0.00	0.00	1.00	73.00	58,464
<i>NGeneralCSRPR</i>	0.03	0.23	0.00	0.00	0.00	0.00	12.00	58,464
<i>NOtherCSRPR</i>	0.08	0.68	0.00	0.00	0.00	0.00	25.00	58,464
<i>QualPR</i>	0.15	0.36	0.00	0.00	0.00	1.00	1.00	58,464
<i>LessCostlyPR</i>	0.15	0.36	0.00	0.00	0.00	1.00	1.00	58,464
<i>NQualPR</i>	0.54	2.51	0.00	0.00	0.00	1.00	78.00	58,464
<i>NLessCostlyPR</i>	0.58	2.71	0.00	0.00	0.00	1.00	79.00	58,464
<i>PastPR</i>	0.12	0.33	0.00	0.00	0.00	1.00	1.00	58,464
<i>NPastPR</i>	0.33	1.57	0.00	0.00	0.00	1.00	50.00	58,464
Panel B: Senate								
	Mean	SD	Min	P10	P50	P90	Max	Firm-year
<i>SenateChamberControl</i>	0.44	0.50	0.00	0.00	0.00	1.00	1.00	58,464
<i>EnvirChair</i>	0.10	0.30	0.00	0.00	0.00	0.00	1.00	58,293
<i>EnergyChair</i>	0.00	0.04	0.00	0.00	0.00	0.00	1.00	58,293
<i>HELPCChair</i>	0.02	0.13	0.00	0.00	0.00	0.00	1.00	58,293
<i>FinanceChair</i>	0.01	0.07	0.00	0.00	0.00	0.00	1.00	58,293
<i>BankingChair</i>	0.01	0.10	0.00	0.00	0.00	0.00	1.00	58,293
<i>NEnvirPhrase</i>	4.81	0.91	1.95	3.58	4.87	5.91	6.92	54,530
<i>NHealthPhrase</i>	6.60	0.82	3.53	5.42	6.71	7.53	8.53	54,530
<i>NEducPhrase</i>	5.62	0.85	2.77	4.51	5.68	6.64	8.32	54,530
<i>NLaborPhrase</i>	6.25	0.80	3.04	5.16	6.30	7.22	8.26	54,530
<i>NMinorityPhrase</i>	5.37	0.84	2.30	4.33	5.42	6.40	7.34	54,530
<i>RelEnvirPhrase</i>	0.04	0.02	0.00	0.01	0.03	0.07	0.28	54,530
<i>RelHealthPhrase</i>	0.21	0.11	0.04	0.09	0.19	0.37	0.99	54,530
<i>RelEducPhrase</i>	0.09	0.07	0.01	0.03	0.07	0.16	0.58	54,530
<i>RelLaborPhrase</i>	0.14	0.06	0.02	0.08	0.13	0.22	0.39	54,530
<i>RelMinorityPhrase</i>	0.06	0.03	0.01	0.03	0.06	0.10	0.24	54,530

(Continued)

Table 2 (continued)

Panel C: Firm characteristics

	Mean	SD	Min	P10	P50	P90	Max	Firm-year
<i>Size</i>	5.86	2.32	-8.90	2.89	5.90	8.78	13.58	58,464
<i>ROA</i>	-0.14	1.36	-177.00	-0.39	0.01	0.10	1.51	58,464
<i>Tobin'sQ</i>	2.13	13.51	0.00	0.30	1.13	3.54	1,886.07	58,464
<i>GovContracts</i>	0.07	0.25	0.00	0.00	0.00	0.00	1.00	58,464
<i>ProportionalContributions</i>	0.46	0.39	0.00	0.00	0.38	1.00	3.50	11,128

This table presents descriptive statistics for the press releases in **Panel A**, relevant Senate committee assignments and phrases used in senator speech in **Panel B**, and other firm characteristics in **Panel C**. For the financial controls in **Panel C**, *ROA* is truncated at the 2.5th and 97.5th percentiles within-industry and *Tobin'sQ* is truncated at the 97.5th percentile within-industry. Observations are at the firm-year level from 2004-2017. All variables are defined in *Appendix A*.

Table 3: CSR Chairs and Senator CSR Speech

Panel A: Environment Chair													
		<i>Environment</i>			<i>Healthcare</i>			<i>Education</i>		<i>Labor</i>		<i>Minority</i>	
		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(10)	(10)
<i>EnvirChair</i>		1.466*** (0.251)	0.066*** (0.022)	0.672 (0.524)	0.174 (0.197)	0.315 (0.227)	-0.020** (0.008)	0.535** (0.252)	0.009 (0.024)	0.452** (0.217)	-0.001 (0.008)		
N		1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386
Adj. R^2		0.191	0.082	0.147	0.122	0.190	0.071	0.118	0.138	0.215	0.111		
Panel B: Energy Chair													
		<i>Environment</i>			<i>Healthcare</i>			<i>Education</i>		<i>Labor</i>		<i>Minority</i>	
		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(10)	(10)
<i>EnergyChair</i>		1.051*** (0.226)	0.046* (0.023)	0.200 (0.316)	0.026 (0.063)	0.413 (0.293)	0.012 (0.031)	0.079 (0.155)	-0.028*** (0.008)	0.135 (0.315)	-0.008 (0.023)		
N		1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386
Adj. R^2		0.180	0.071	0.139	0.100	0.193	0.070	0.115	0.149	0.211	0.114		
Panel C: HELP Chair													
		<i>Environment</i>			<i>Healthcare</i>			<i>Education</i>		<i>Labor</i>		<i>Minority</i>	
		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(10)	(10)
<i>HELPChair</i>		0.719** (0.339)	0.018 (0.020)	0.935*** (0.214)	0.044 (0.039)	1.457*** (0.342)	0.114** (0.044)	1.166*** (0.231)	0.084*** (0.028)	0.457* (0.236)	-0.007 (0.008)		
N		1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,386
Adj. R^2		0.166	0.037	0.160	0.104	0.251	0.121	0.149	0.185	0.215	0.114		

This table examines the association between a senator chairing a CSR-related committee and their speech on CSR-related topics in the Congress terms prior to becoming chair. In the odd columns, *NPhrase* refers to the natural log transformation of the frequency of phrases in each topic. In the even columns, *RelPhrase* or “relative phrase” refers to the number of times phrases in that topic are spoken relative to the total number of non-CSR phrases spoken by the speaker. All panels include party fixed effects and Congress (i.e, time) fixed effects. All variables are defined in *Appendix A*. Standard errors are reported in parentheses and clustered at the senator level. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels (two-tailed).

Table 4: Other Chairs and Senator CSR Speech

Panel A: Agriculture Chair															
	<i>Environment</i>			<i>Healthcare</i>			<i>Education</i>			<i>Labor</i>			<i>Minority</i>		
	<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)					
<i>AgriChair</i>	-0.320 (0.246)	-0.008* (0.004)	-0.126 (0.392)	0.070 (0.066)	-0.281 (0.322)	0.001 (0.020)	-0.506 (0.482)	0.015 (0.043)	-0.302 (0.252)	-0.005 (0.005)					
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384					
Adj. R^2	0.034	0.138	0.105	0.073	0.192	0.073	0.122	0.142	0.213	0.112					
Panel B: Appropriations Chair															
	<i>Environment</i>			<i>Healthcare</i>			<i>Education</i>			<i>Labor</i>			<i>Minority</i>		
	<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)					
<i>AppropChair</i>	-0.541*** (0.204)	-0.011 (0.008)	-0.323 (0.329)	0.014 (0.056)	-0.410 (0.250)	-0.013 (0.014)	-0.641 (0.524)	-0.009 (0.049)	0.165 (0.332)	0.050* (0.026)					
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384					
Adj. R^2	0.034	0.140	0.102	0.070	0.193	0.070	0.120	0.143	0.210	0.134					
Panel C: Armed Services Chair															
	<i>Environment</i>			<i>Healthcare</i>			<i>Education</i>			<i>Labor</i>			<i>Minority</i>		
	<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)					
<i>ArmedServChair</i>	0.921*** (0.104)	0.002 (0.005)	0.051 (0.249)	-0.130*** (0.020)	0.032 (0.148)	-0.045*** (0.011)	0.306** (0.151)	-0.053*** (0.006)	1.414*** (0.356)	0.027 (0.020)					
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384					
Adj. R^2	0.160	0.033	0.141	0.110	0.190	0.073	0.114	0.150	0.234	0.118					
Panel D: Banking, Housing, and Urban Affairs Chair															
	<i>Environment</i>			<i>Healthcare</i>			<i>Education</i>			<i>Labor</i>			<i>Minority</i>		
	<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)					
<i>BankingChair</i>	-0.819** (0.359)	-0.008 (0.008)	-0.738** (0.366)	0.027 (0.091)	-0.347 (0.282)	0.019 (0.017)	-0.760*** (0.271)	-0.015 (0.017)	-0.712* (0.418)	0.008 (0.016)					
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384					
Adj. R^2	0.164	0.033	0.147	0.102	0.191	0.070	0.124	0.145	0.222	0.111					

(Continued)

Table 4 (continued)

	Environment		Healthcare		Education		Labor		Minority	
	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>BudgetChair</i>	0.248 (0.331)	0.001 (0.021)	0.758*** (0.229)	0.076 (0.062)	0.885*** (0.205)	0.076*** (0.028)	0.877*** (0.218)	0.083** (0.042)	0.353 (0.326)	0.020 (0.031)
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384
Adj. R^2	0.153	0.033	0.152	0.107	0.208	0.086	0.134	0.173	0.215	0.115
Panel F: Commerce Chair										
	Environment		Healthcare		Education		Labor		Minority	
	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>CommerceChair</i>	0.122 (0.284)	-0.012*** (0.005)	0.432* (0.249)	0.009 (0.044)	-0.178 (0.224)	-0.043*** (0.007)	0.143 (0.349)	-0.021 (0.023)	0.520 (0.517)	0.023 (0.024)
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384
Adj. R^2	0.151	0.035	0.145	0.096	0.191	0.074	0.117	0.147	0.217	0.118
Panel G: Finance Chair										
	Environment		Healthcare		Education		Labor		Minority	
	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>FinanceChair</i>	0.531*** (0.128)	-0.020*** (0.005)	1.278*** (0.180)	0.041 (0.051)	0.428 (0.357)	-0.051*** (0.011)	1.016*** (0.288)	-0.014 (0.012)	0.286 (0.415)	-0.033*** (0.010)
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384
Adj. R^2	0.158	0.038	0.170	0.100	0.194	0.077	0.138	0.145	0.214	0.125
Panel H: Foreign Relations Chair										
	Environment		Healthcare		Education		Labor		Minority	
	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>	<i>NPhrase</i>	<i>RelPhrase</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>ForeignRelChair</i>	-0.508 (0.364)	-0.016*** (0.004)	-0.495 (0.341)	-0.087*** (0.028)	-0.650** (0.288)	-0.051*** (0.010)	-0.533 (0.408)	-0.049*** (0.014)	-0.171 (0.335)	-0.006 (0.006)
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384
Adj. R^2	0.155	0.036	0.140	0.107	0.197	0.077	0.118	0.152	0.210	0.112

(Continued)

Table 4 (continued)

Panel I: Homeland Security Chair															
	Environment			Healthcare			Education			Labor			Minority		
	<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)					
<i>HomeSecChair</i>	-0.027 (0.530)	-0.005 (0.007)	0.232 (0.402)	0.081 (0.099)	0.023 (0.534)	-0.014 (0.023)	0.006 (0.321)	-0.004 (0.021)	0.006 (0.467)	-0.029** (0.014)					
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384					
Adj. <i>R</i> ²	0.147	0.034	0.143	0.113	0.188	0.071	0.112	0.149	0.214	0.120					
Panel J: Intelligence Chair															
	Environment			Healthcare			Education			Labor			Minority		
	<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)					
<i>IntelChair</i>	-0.939** (0.412)	-0.015*** (0.005)	-0.241 (0.620)	0.137 (0.107)	-0.441 (0.351)	0.009 (0.034)	-0.670** (0.271)	-0.030*** (0.009)	-1.081*** (0.399)	-0.028*** (0.006)					
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384					
Adj. <i>R</i> ²	0.180	0.036	0.140	0.125	0.197	0.070	0.127	0.151	0.246	0.123					
Panel K: Judiciary Chair															
	Environment			Healthcare			Education			Labor			Minority		
	<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)					
<i>JudicChair</i>	0.637*** (0.144)	-0.025*** (0.003)	1.324*** (0.204)	-0.040 (0.027)	0.779*** (0.132)	-0.044*** (0.013)	1.175*** (0.218)	-0.028* (0.016)	0.957*** (0.188)	-0.015** (0.006)					
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384					
Adj. <i>R</i> ²	0.160	0.040	0.171	0.106	0.203	0.075	0.142	0.152	0.231	0.113					
Panel L: Rules Chair															
	Environment			Healthcare			Education			Labor			Minority		
	<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>		<i>NPhrase</i>	<i>RelPhrase</i>	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)					
<i>RulesChair</i>	-0.722 (0.516)	-0.026*** (0.004)	-0.413 (0.730)	-0.054 (0.042)	-0.106 (0.528)	-0.023* (0.014)	-0.029 (0.559)	-0.000 (0.018)	-0.363 (0.712)	-0.016* (0.008)					
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384					
Adj. <i>R</i> ²	0.162	0.042	0.145	0.107	0.189	0.071	0.113	0.145	0.212	0.116					

(Continued)

Table 4 (continued)

	Environment		Healthcare		Education		Labor		Minority	
	$\overline{NPhrase}$ (1)	$RelPhrase$ (2)	$\overline{NPhrase}$ (3)	$RelPhrase$ (4)	$\overline{NPhrase}$ (5)	$RelPhrase$ (6)	$\overline{NPhrase}$ (7)	$RelPhrase$ (8)	$\overline{NPhrase}$ (9)	$RelPhrase$ (10)
<i>VetAffairsChair</i>	-0.216 (0.217)	-0.017** (0.008)	0.528** (0.209)	0.087* (0.050)	0.362* (0.218)	0.022 (0.024)	0.339 (0.258)	0.034 (0.024)	0.173 (0.384)	0.015 (0.022)
N	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384
Adj. R^2	0.151	0.039	0.147	0.112	0.193	0.072	0.116	0.146	0.212	0.116

This table examines the association between a senator chairing particular committee and their speech on CSR-related topics in the Congress terms prior to becoming chair. In the odd columns, $NPhrase$ refers to the natural log transformation of the frequency of phrases in each topic. In the even columns, $RelPhrase$ or “relative phrase” refers to the number of times phrases in that topic are spoken relative to the total number of non-CSR phrases spoken by the speaker. All panels include party fixed effects and Congress (i.e., time) fixed effects. All variables are defined in *Appendix A*. Standard errors are reported in parentheses and clustered at the senator level. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels (two-tailed).

Table 5: Association between CSR-related Chairs and Corporate CSR Press Releases

Panel A: Main specification						
	<i>CSRPR</i>			<i>NCSRPR</i>		
	(1)	(2)	(3)	(4)	(5)	(6)
<i>EnvirChair</i>	0.021*** (0.005)			0.025*** (0.008)		
<i>EnergyChair</i>		0.003 (0.011)			-0.003 (0.025)	
<i>HELPChair</i>			0.012** (0.005)			0.015** (0.007)
<i>Size</i>	0.043*** (0.003)	0.043*** (0.003)	0.043*** (0.003)	0.060*** (0.005)	0.060*** (0.005)	0.060*** (0.005)
<i>ROA</i>	-0.004 (0.002)	-0.004 (0.002)	-0.004 (0.002)	-0.005** (0.002)	-0.005** (0.002)	-0.005** (0.002)
<i>Tobin'sQ</i>	-0.001** (0.000)	-0.001** (0.000)	-0.001** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
N	52,986	52,986	52,986	52,986	52,986	52,986
Adj. R^2	0.458	0.458	0.458	0.709	0.709	0.709
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Cluster	State	State	State	State	State	State

(Continued)

Table 5 (continued)**Panel B: Alternate specification**

	<i>CSRPR</i>			<i>NCSRPR</i>		
	(1)	(2)	(3)	(4)	(5)	(6)
<i>EnvirChair</i>	0.025*** (0.007)			0.035*** (0.011)		
<i>EnergyChair</i>		-0.028** (0.012)			-0.047** (0.023)	
<i>HELPChair</i>			0.023*** (0.005)			0.017 (0.010)
<i>Size</i>	0.077*** (0.003)	0.077*** (0.003)	0.077*** (0.003)	0.161*** (0.008)	0.161*** (0.008)	0.161*** (0.008)
<i>ROA</i>	-0.019*** (0.004)	-0.019*** (0.004)	-0.019*** (0.004)	-0.048*** (0.011)	-0.048*** (0.011)	-0.048*** (0.011)
<i>Tobin'sQ</i>	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
N	53,495	53,495	53,495	53,495	53,495	53,495
Adj. R^2	0.197	0.197	0.197	0.277	0.277	0.277
State FE	Yes	Yes	Yes	Yes	Yes	Yes
Industry-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Cluster	State	State	State	State	State	State

This table examines the association between having a senator chair a CSR-related committee and issuing CSR press releases. The three CSR-related committees are Energy and Natural Resources (“Energy”); Environment and Public Works (“Environment”); and Health, Education, Labor and Pensions (“HELP”). **Panel A** presents the results from estimating the following OLS regression for firm i in state s in year t :

$$PROutcome_{it} = \beta_1 CSRChair_{st} + \beta_2 Controls_{i,t-1} + \theta_i + \tau_t + \epsilon_{ist}$$

$PROutcome$ is $CSRPR$ (whether at least one CSR press release is issued in a firm-year) or $NCSRPR$ (the natural log of one plus the number of CSR press releases issued in a firm-year). The independent variable is $EnvironmentChair$, $EnergyChair$, or $HELPChair$, which equal 1 if a firm’s headquarter state’s senator chairs one of those committees in a year. The main specification compares CSR PR outcomes within firm over time. It includes a firm fixed effect, θ_i , controlling for time-invariant firm characteristics, and a year fixed effect, τ_t , controlling for systematic trends across firms in a year.

Panel B presents the results from estimating a broader alternate specification. Instead of a firm fixed effect and year fixed effect, this specification includes an industry-year fixed effect, δ_{jt} , which compares firms in the same industry and year, and a state fixed effect, γ_s , which compares firms in the same state over time. In both panels, I control for lagged $Size$, ROA , and $Tobin'sQ$ because a firm’s size, profitability, and growth opportunities may all affect a firm’s CSR activity. All variables are defined in *Appendix A*. Standard errors are reported in parentheses and clustered at the state level. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels (two-tailed).

Table 6: Senate CSR Chairs and CSR Press Releases by Topic

	Panel A: Environment Chair							
	<i>Environment</i>		<i>Social</i>		<i>General</i>		<i>Other</i>	
	<i>Binary</i>	<i>Freq</i>	<i>Binary</i>	<i>Freq</i>	<i>Binary</i>	<i>Freq</i>	<i>Binary</i>	<i>Freq</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>EnvirChair</i>	0.008***	0.011***	0.005	0.005	0.002*	0.003***	0.002	0.007***
	(0.003)	(0.004)	(0.003)	(0.004)	(0.001)	(0.001)	(0.002)	(0.002)
N	52,986	52,986	52,986	52,986	52,986	52,986	52,986	52,986
Adj. R^2	0.413	0.547	0.433	0.622	0.277	0.303	0.440	0.533
	Panel B: Energy Chair							
	<i>Environment</i>		<i>Social</i>		<i>General</i>		<i>Other</i>	
	<i>Binary</i>	<i>Freq</i>	<i>Binary</i>	<i>Freq</i>	<i>Binary</i>	<i>Freq</i>	<i>Binary</i>	<i>Freq</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>EnergyChair</i>	0.033**	0.028**	-0.035**	-0.041**	0.004	0.001	0.005	-0.005
	(0.013)	(0.011)	(0.015)	(0.017)	(0.013)	(0.009)	(0.005)	(0.009)
N	52,986	52,986	52,986	52,986	52,986	52,986	52,986	52,986
Adj. R^2	0.413	0.547	0.433	0.622	0.277	0.303	0.440	0.533
	Panel C: HELP Chair							
	<i>Environment</i>		<i>Social</i>		<i>General</i>		<i>Other</i>	
	<i>Binary</i>	<i>Freq</i>	<i>Binary</i>	<i>Freq</i>	<i>Binary</i>	<i>Freq</i>	<i>Binary</i>	<i>Freq</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>HELPChair</i>	-0.003	-0.008	0.008	0.018***	0.004	0.007	-0.003	0.000
	(0.009)	(0.009)	(0.009)	(0.006)	(0.007)	(0.006)	(0.007)	(0.009)
N	52,986	52,986	52,986	52,986	52,986	52,986	52,986	52,986
Adj. R^2	0.413	0.547	0.433	0.622	0.277	0.303	0.440	0.533

This table examines the association between having a senator chair a CSR-related committee and issuing CSR press releases of different topics. *Binary* is an indicator variable for whether a firm issues a press release in that topic in a year. *Freq* measures the natural log transformation of the number of press releases a firm issues in that topic in a year. All panels control for lagged *Size*, *ROA*, and *Tobin'sQ*. All panels include a firm fixed effect, controlling for time-invariant firm characteristics, and a year fixed effect, controlling for systematic trends across firms in a year. All variables are defined in *Appendix A*. Standard errors are reported in parentheses and clustered at the state level. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels (two-tailed).

Table 7: Senate CSR Chairs and Heterogeneity in CSR Press Releases

	QualitativePR				LessCostlyPR											
	Binary	(2)	(3)	(4)	Freq	(5)	(6)	(7)	Binary	(8)	(9)	(10)	(11)	Freq	(12)	
<i>EnvirChair</i>	0.006*	(0.003)	0.013**	(0.005)	-0.009	(0.011)	0.011*	(0.006)	0.006*	(0.003)	-0.019**	(0.007)	0.012**	(0.005)	-0.011	(0.011)
<i>EnergyChair</i>																
<i>HELPChair</i>			0.004	(0.005)			0.011*	(0.006)			0.005	(0.006)			0.012**	(0.006)
N	52,986	52,986	52,986	52,986	52,986	52,986	52,986	52,986	52,986	52,986	52,986	52,986	52,986	52,986	52,986	52,986
Adj. R ²	0.467	0.467	0.467	0.666	0.666	0.666	0.666	0.666	0.469	0.469	0.469	0.671	0.671	0.671	0.671	0.671
Financial controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cluster	State	State	State	State	State	State	State	State	State	State	State	State	State	State	State	State

(Continued)

Table 7 (continued)**Panel B: Past CSR activity**

	<i>PastPR</i>					
	<i>Binary</i>			<i>Freq</i>		
	(1)	(2)	(3)	(4)	(5)	(6)
<i>EnvirChair</i>	0.006*			0.011***		
	(0.003)			(0.004)		
<i>EnergyChair</i>		-0.002			-0.010	
		(0.019)			(0.019)	
<i>HELPChair</i>			0.012**			0.015***
			(0.005)			(0.004)
N	52,986	52,986	52,986	52,986	52,986	52,986
Adj. R^2	0.438	0.438	0.438	0.616	0.616	0.616
Financial controls	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Cluster	State	State	State	State	State	State

This table examines two types of heterogeneity in CSR press releases. **Panel A** looks at the size of the activity communicated by CSR press releases and presents the association between having a senator chair a CSR-related committee and issuing CSR press releases that reflect more qualitative and less costly activities. *Binary* is an indicator variable for whether a firm issues a qualitative or less costly press release in a firm-year. *Freq* measures the natural log transformation of the number of qualitative or less costly press releases a firm issues in a firm-year. **Panel B** looks at whether press releases communicate past activity or future activity. *Binary* is an indicator variable for whether a firm issues a press release about past activity in a firm-year. *Freq* measures the natural log transformation of the number of press releases about past activity that a firm issues in a firm-year. All panels include financial controls for lagged *Size*, *ROA*, and *Tobin'sQ* because a firm's size, profitability, and growth opportunities may all affect a firm's CSR activity. All panels include a firm fixed effect, controlling for time-invariant firm characteristics, and a year fixed effect, controlling for systematic trends across firms in a year. All variables are defined in *Appendix A*. Standard errors are reported in parentheses and clustered at the state level. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels (two-tailed).

Table 8: Local Newspaper Presence as a Mechanism

	<i>CSRPR</i>			<i>NCSRPR</i>		
	(1)	(2)	(3)	(4)	(5)	(6)
<i>EnvirChair</i>	-0.430*** (0.013)			-0.378*** (0.021)		
<i>EnvirChair</i> × <i>MoreLocalNewspapers</i>	0.453*** (0.013)			0.440*** (0.025)		
<i>EnergyChair</i>		-0.004 (0.013)			-0.014 (0.029)	
<i>EnergyChair</i> × <i>MoreLocalNewspapers</i>		0.065*** (0.016)			0.091*** (0.033)	
<i>HELPChair</i>			0.015** (0.007)			0.007 (0.010)
<i>HELPChair</i> × <i>MoreLocalNewspapers</i>			-0.021* (0.012)			-0.024 (0.014)
N	52,909	52,909	52,909	52,909	52,909	52,909
Adj. R^2	0.458	0.458	0.458	0.710	0.710	0.710
State economic controls	Yes	Yes	Yes	Yes	Yes	Yes
Financial controls	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Cluster	State	State	State	State	State	State

This table presents evidence that in states with more local newspapers per capita, the positive association is stronger between having a senator chair a CSR-related committee and issuing CSR press releases. The three CSR-related committees are: Energy and Natural Resources (“Energy”); Environment and Public Works (“Environment”); and Health, Education, Labor and Pensions (“HELP”). The table interacts *CSRChair* in Table 5 with *MoreLocalNewspapers*, an indicator that equals 1 if a state has a higher than median number of local newspapers in 2004, adjusted for state population. In columns (1)-(3), the outcome variable is an indicator for whether a firm issues a CSR press release in a firm-year. In columns (4)-(6), the outcome variable is the natural log transformation of the number of CSR press releases issued in a firm-year. Each column includes the financial controls of lagged *Size*, *ROA*, and *Tobin'sQ*. Each column includes state-level economic controls of 2004 GDP per capita and 2004 personal income per capita interacted with *CSRChair*. Each column includes a firm fixed effect, controlling for time-invariant firm characteristics, and a year fixed effect, controlling for systematic trends across firms in a year. All variables are defined in *Appendix A*. Standard errors are reported in parentheses and clustered at the state level. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels (two-tailed).

Table 9: Plausibly Exogenous Departures from CSR-related Committees

Panel A: Main sample		
	<i>CSRPR</i>	<i>NCSRPR</i>
	(1)	(2)
<i>Treat</i>	0.015*** (0.004)	0.018*** (0.004)
<i>Post</i>	0.012 (0.013)	0.005 (0.010)
<i>Treat</i> × <i>Post</i>	-0.009*** (0.003)	-0.008*** (0.003)
N	113,907	113,907
Adj. R^2	0.187	0.260
Group FE	Yes	Yes
State FE	Yes	Yes
Month FE	Yes	Yes
Industry-year FE	Yes	Yes
Cluster	State	State
Panel B: Subsample of firms that issue at least one CSR press release		
	<i>CSRPR</i>	<i>NCSRPR</i>
	(1)	(2)
<i>Treat</i>	0.003 (0.006)	0.015 (0.013)
<i>Post</i>	0.027 (0.018)	0.015 (0.013)
<i>Treat</i> × <i>Post</i>	-0.012** (0.004)	-0.011** (0.004)
N	74,462	74,462
Adj. R^2	0.174	0.255
Group FE	Yes	Yes
State FE	Yes	Yes
Month FE	Yes	Yes
Industry-year FE	Yes	Yes
Cluster	State	State

(Continued)

Table 9 (continued)		
Panel C: Main sample with firm fixed effect		
	<i>CSRPR</i>	<i>NCSRPR</i>
	(1)	(2)
<i>Treat</i>	-0.001 (0.005)	0.005 (0.004)
<i>Post</i>	0.007 (0.012)	0.001 (0.009)
<i>Treat</i> × <i>Post</i>	-0.007** (0.003)	-0.007** (0.003)
N	113,907	113,907
Adj. R^2	0.305	0.408
Firm FE	Yes	Yes
Group FE	Yes	Yes
Month FE	Yes	Yes
Cluster	State	State

This table presents the DiD results from losing a senator on a CSR-related committee. Treated firms are matched to firms in the same industry in states whose senators remain on the CSR committee; treated and control firms are grouped based on financial characteristics through coarsened exact matching. **Panel B** focuses on firms that issue at least one CSR PR from 2004-2017. In **Panels A and B**, for firm i in group g in industry j in state s in month t :

$$PROutcome_{ijst} = \beta_1 Treat_{i,s} \times Post_t + \beta_2 Treat_{i,s} + \beta_3 Post_t + \mu_g + \gamma_s + \tau_t + \delta_{jt} + \epsilon_{ijst}$$

In **Panel C**, for firm i in group g in state s in month t :

$$PROutcome_{ist} = \beta_1 Treat_{i,s} \times Post_t + \beta_2 Treat_{i,s} + \beta_3 Post_t + \theta_i + \mu_g + \tau_t + \epsilon_{ist}$$

μ_g is a group fixed effect that is unique for each treated-control matched group for each departure. γ_s is a state fixed effect. τ_t is a month fixed effect. δ_{jt} is an industry-year fixed effect. θ_i is a firm fixed effect. Across all panels, *CSRPR* in column (1) is an indicator for whether a firm issues a CSR press release in a firm-month and *NCSRPR* in column (2) is the natural log transformation of the number of CSR press releases issued in a firm-month. All variables are defined in *Appendix A*. Standard errors are clustered at the state level and reported in parentheses. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels (two-tailed).

Table 10: Robustness Tests on the Primary Analyses

Panel A: Controlling for finance-related chairs						
	<i>CSRPR</i>			<i>NCSRPR</i>		
	(1)	(2)	(3)	(4)	(5)	(6)
<i>EnvirChair</i>	0.022*** (0.005)			0.026*** (0.008)		
<i>EnergyChair</i>		0.009 (0.017)			-0.009 (0.027)	
<i>HELPChair</i>			0.012** (0.005)			0.016** (0.006)
<i>FinanceChair</i>	-0.017* (0.009)	-0.018 (0.012)	-0.015 (0.010)	0.012 (0.023)	0.014 (0.026)	0.015 (0.025)
<i>BankingChair</i>	0.006 (0.015)	0.005 (0.014)	0.005 (0.014)	0.021 (0.020)	0.020 (0.018)	0.021 (0.019)
N	52,986	52,986	52,986	52,986	52,986	52,986
Adj. R^2	0.458	0.458	0.458	0.709	0.709	0.709
Financial controls	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Cluster	State	State	State	State	State	State
Panel B: Weighted by number of firms per state						
	<i>CSRPR</i>			<i>NCSRPR</i>		
	(1)	(2)	(3)	(4)	(5)	(6)
<i>EnvirChair</i>	0.028*** (0.006)			0.036*** (0.010)		
<i>EnergyChair</i>		0.016* (0.009)			0.012 (0.025)	
<i>HELPChair</i>			0.009** (0.004)			0.012** (0.006)
N	52,986	52,986	52,986	52,986	52,986	52,986
Adj. R^2	0.454	0.453	0.453	0.707	0.706	0.706
Financial controls	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Cluster	State	State	State	State	State	State

(Continued)

Table 10 (continued)						
Panel C: Subsample of firms that issue at least one CSR press release						
	<i>CSRPR</i>			<i>NCSRPR</i>		
	(1)	(2)	(3)	(4)	(5)	(6)
<i>EnvirChair</i>	0.026*** (0.007)			0.028** (0.010)		
<i>EnergyChair</i>		0.005 (0.015)			-0.003 (0.034)	
<i>HELPChair</i>			0.015** (0.006)			0.019** (0.008)
N	40,261	40,261	40,261	40,261	40,261	40,261
Adj. R^2	0.348	0.348	0.348	0.675	0.675	0.675
Financial controls	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Cluster	State	State	State	State	State	State

This table presents three robustness tests. The three CSR-related committees are: Energy and Natural Resources (“Energy”); Environment and Public Works (“Environment”); and Health, Education, Labor and Pensions (“HELP”). The dependent variable is either *CSRPR* (whether at least one CSR press release is issued in a firm-year) or *NCSRPR* (the natural log of one plus the number of CSR press releases issued in a firm-year). The independent variable is *EnvironmentChair*, *EnergyChair*, or *HELPCchair*, which equal 1 if a firm’s headquarter state’s senator chairs one of those committees in a year. Financial controls are lagged *Size*, *ROA*, and *Tobin’sQ*. All panels include a firm fixed effect, controlling for time-invariant firm characteristics, and a year fixed effect, controlling for systematic trends across firms in a year. **Panel A** addresses whether the results in Table 5 are driven by senator seniority or financial influence by adding controls for whether a firm’s senator chairs the committees on Finance or Banking, Housing, and Urban Affairs. **Panel B** addresses the concern that the composition of firms across states drives the results in Table 5. It runs a weighted least squares regression where the main specification is weighted by the number of firms in each state. **Panel C** focuses on the subsample of firms that issue a CSR press release at least once from 2004-2017 to increase the comparability of treatment and control observations if firms that ever issue a CSR press release are fundamentally different from firms that do not. All variables are defined in *Appendix A*. Standard errors are reported in parentheses and clustered at the state level. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels (two-tailed).

Table 11: Political Contributions and CSR Press Releases

	<i>CSRPR</i>			<i>NCSRPR</i>		
	(1)	(2)	(3)	(4)	(5)	(6)
<i>EnvirChair</i>	-0.028 (0.031)			-0.105 (0.070)		
<i>EnvirChair</i> × <i>PropContributions</i>	0.144** (0.068)			0.210* (0.111)		
<i>EnergyChair</i>		0.130 (0.151)			-0.043 (0.140)	
<i>EnergyChair</i> × <i>PropContributions</i>		-0.169 (0.231)			0.013 (0.210)	
<i>HELPChair</i>			-0.073** (0.030)			-0.170** (0.080)
<i>HELPChair</i> × <i>PropContributions</i>			0.139* (0.072)			0.374** (0.156)
N	10,767	10,767	10,767	10,767	10,767	10,767
Adj. R^2	0.481	0.481	0.481	0.787	0.787	0.787
Financial controls	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Cluster	State	State	State	State	State	State

This table presents a cross-sectional analysis based on political contributions. The three CSR-related committees are: Energy and Natural Resources (“Energy”); Environment and Public Works (“Environment”); and Health, Education, Labor and Pensions (“HELP”). The table interacts *CSRChair* in Table 5 with *ProportionalContributions*, a continuous variable between 0 and 1. For any firm-year, *ProportionalContributions* equals a firm’s political contributions to its headquarter state senators, divided by its total contributions to senators, up through the year in question. The firm’s political contributions are the aggregate of the individual contributions of the firm’s top executives in Execucomp. In columns (1)-(3), the outcome variable is an indicator for whether a firm issues a CSR press release in a firm-year. In columns (4)-(6), the outcome variable is the natural log transformation of the number of CSR press releases issued in a firm-year. Each column includes the financial controls of lagged *Size*, *ROA*, and *Tobin'sQ*, a firm fixed effect to control for time-invariant firm characteristics, and a year fixed effect to control for systematic trends across firms in a year. All variables are defined in *Appendix A*. Standard errors are reported in parentheses and clustered at the state level. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels (two-tailed).

Table 12: CSR Press Releases and Government Contracts

	<i>GovContracts</i>	
	(1)	(2)
<i>LagCSRPR</i>	0.012** (0.005)	
<i>LagNCSRPR</i>		0.009** (0.004)
N	49,862	49,862
Adj. R^2	0.156	0.156
Financial controls	Yes	Yes
Industry FE	Yes	Yes
Year FE	Yes	Yes
Cluster	State	State

This table examines the relation between issuing CSR press releases and receiving government contracts the following year. Each column includes the financial controls of lagged *Size*, *ROA*, and *Tobin'sQ*, a firm fixed effect to control for time-invariant firm characteristics, and a year fixed effect to control for systematic trends across firms in a year. All variables are defined in *Appendix A*. Standard errors are reported in parentheses and clustered at the state level. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels (two-tailed).

Appendices

APPENDIX A

VARIABLE DEFINITION

Variable	Definition and Source
<i>CSRPR</i>	Equals 1 if a firm issues at least one CSR press release in a firm-year, and 0 otherwise. Source: RavenPack, CSRwire.
<i>NonCSRPR</i>	Equals 1 if a firm issues at least one non-CSR press release in a firm-year, and 0 otherwise. Source: RavenPack.
<i>NCSRPR</i>	Equals the total number of CSR press releases a firm issues in a year. Source: RavenPack, CSRwire.
<i>NNonCSRPR</i>	Equals the total number of non-CSR press releases a firm issues in a year. Source: RavenPack.
<i>NAllPR</i>	Equals the sum of <i>NCSRPR</i> + <i>NNonCSRPR</i> . Source: RavenPack, CSRwire.
<i>EnvirPR</i>	Equals 1 if a firm issues at least one CSR press release categorized as environmental in a firm-year, and 0 otherwise. Examples include press releases on greenhouse gas emissions and renewable energy. Source: RavenPack, CSRwire.
<i>SocialPR</i>	Equals 1 if a firm issues at least one CSR press release categorized as social in a firm-year, and 0 otherwise. Examples include press releases on charitable donations in local communities, educational initiatives, and workforce diversity. Source: RavenPack, CSRwire.
<i>GeneralCSRPR</i>	Equals 1 if a firm issues at least one CSR press release categorized as general CSR in a firm-year, and 0 otherwise. Examples include press releases on receiving awards for being socially responsible and publishing CSR reports. Source: RavenPack, CSRwire.
<i>OtherCSRPR</i>	Equals 1 if a firm issues at least one CSR press release that cannot be classified into a sub-topic in a firm-year, and 0 otherwise. Source: RavenPack, CSRwire.
<i>NEnvirPR</i>	Equals the number of environmental press releases issued by a firm in a firm-year. Source: RavenPack, CSRwire.
<i>NSocialPR</i>	Equals the number of social press releases issued by a firm in a firm-year. Source: RavenPack, CSRwire.
<i>NGeneralCSRPR</i>	Equals the number of general CSR press releases issued by a firm in a firm-year. Source: RavenPack, CSRwire.

(Continued)

Appendix A, continued

Variable	Definition and Source
<i>NOtherCSRPR</i>	Equals the number of other CSR press releases issued by a firm in a firm-year. Source: RavenPack, CSRwire.
<i>QualPR</i>	Equals 1 if a firm issues at least one qualitative CSR press release in a firm-year, and 0 otherwise. A CSR press release is considered qualitative if the headline does not contain dollar amounts or percentages. Source: RavenPack, CSRwire.
<i>LessCostlyPR</i>	Equals 1 if a firm issues at least one CSR press release about a less costly activity in a firm-year, and 0 otherwise. A CSR press release is considered about a less costly activity if the headline does not contain a dollar amount in millions. Source: RavenPack, CSRwire.
<i>NQualPR</i>	Equals the number of qualitative CSR press releases issued by a firm in a firm-year. Source: RavenPack, CSRwire.
<i>NLessCostlyPR</i>	Equals the number of less costly CSR press releases issued by a firm in a firm-year. Source: RavenPack, CSRwire.
<i>PastPR</i>	Equals 1 if a firm issues at least one CSR press release about a past activity in a firm-year, and 0 otherwise. A CSR press release is considered about a past activity if the press release contains more past tense than future tense verbs. Source: RavenPack, CSRwire.
<i>NPastPR</i>	Equals the number of CSR press releases about past activities issued by a firm in a firm-year. Source: RavenPack, CSRwire.
<i>SenateChamberControl</i>	Equals 1 if the Republican Party controls the Senate that year, and 0 otherwise. Source: Congressional committee data from Stewart III and Woon.
<i>EnvirChair</i>	Equals 1 if a firm's senator chairs the Environment and Public Works committee in that year, and 0 otherwise. Source: Congressional committee data from Stewart III and Woon.
<i>EnergyChair</i>	Equals 1 if a firm's senator chairs the Energy and Natural Resources committee in that year, and 0 otherwise. Source: Congressional committee data from Stewart III and Woon.
<i>HELPCChair</i>	Equals 1 if a firm's senator chairs the Health, Education, Labor, and Pensions committee in that year, and 0 otherwise. Source: Congressional committee data from Stewart III and Woon.

(Continued)

Appendix A, continued

Variable	Definition and Source
<i>FinanceChair</i>	Equals 1 if a firm's senator chairs the Finance committee in that year, and 0 otherwise. Source: Congressional committee data from Stewart III and Woon.
<i>BankingChair</i>	Equals 1 if a firm's senator chairs the Banking, Housing and Urban Development Affairs committee in that year, and 0 otherwise. Source: Congressional committee data from Stewart III and Woon.
<i>NEnvirPhrase</i>	Equals the number of environment phrases spoken by a firm's senators in a Congress. Source: Congressional Record data from Gentzkow, Shapiro, and Taddy.
<i>NHealthPhrase</i>	Equals the number of healthcare phrases spoken by a firm's senators in a Congress. Source: Congressional Record data from Gentzkow, Shapiro, and Taddy.
<i>NEducPhrase</i>	Equals the number of education phrases spoken by a firm's senators in a Congress. Source: Congressional Record data from Gentzkow, Shapiro, and Taddy.
<i>NLaborPhrase</i>	Equals the number of labor phrases spoken by a firm's senators in a Congress. Source: Congressional Record data from Gentzkow, Shapiro, and Taddy.
<i>NMinorityPhrase</i>	Equals the number of minority phrases spoken by a firm's senators in a Congress. Source: Congressional Record data from Gentzkow, Shapiro, and Taddy.
<i>RelEnvirPhrase</i>	Equals the number of environment phrases relative to the number of non-CSR phrases spoken by a firm's senators in a Congress. Source: Congressional Record data from Gentzkow, Shapiro, and Taddy.
<i>RelHealthPhrase</i>	Equals the number of healthcare phrases relative to the number of non-CSR phrases spoken by a firm's senators in a Congress. Source: Congressional Record data from Gentzkow, Shapiro, and Taddy.
<i>RelEducPhrase</i>	Equals the number of education phrases relative to the number of non-CSR phrases spoken by a firm's senators in a Congress. Source: Congressional Record data from Gentzkow, Shapiro, and Taddy.
<i>RelLaborPhrase</i>	Equals the number of labor phrases relative to the number of non-CSR phrases spoken by a firm's senators in a Congress. Source: Congressional Record data from Gentzkow, Shapiro, and Taddy.

(Continued)

Appendix A, continued

Variable	Definition and Source
<i>RelMinorityPhrase</i>	Equals the number of minority phrases relative to the number of non-CSR phrases spoken by a firm's senators in a Congress. Source: Congressional Record data from Gentzkow, Shapiro, and Taddy.
<i>Size</i>	Equals the log transformation of the market value of equity for a firm at the end of that year: $\ln(MVE)$, where $MVE = CSHO * PRCC_F$. Source: Compustat.
<i>ROA</i>	Equals the return on assets (income before extraordinary items divided by total assets) for a firm in that year: IB/AT . Truncated at the 2.5th and 97.5th percentiles within-industry. Source: Compustat.
<i>Tobin'sQ</i>	Equals Tobin's Q (market value of equity + total debt divided by total assets) for a firm in that year: $(MVE + DLC + DLTT)/AT$. Truncated at the 97.5th percentile within-industry. Source: Compustat.
<i>MoreLocalNewspapers</i>	Equals 1 if a state has a higher than median number of local newspapers per capita, and 0 otherwise. Measured as of 2004. Source: The Expanding News Desert from Abernathy.
<i>GovContracts</i>	Equals 1 if a firm earns positive revenue from the U.S. government in a firm-year. Source: Compustat.
<i>ProportionalContributions</i>	Equals the proportion of campaign contributions made by a firm's executives to the headquarter state's senators relative to all campaign contributions made by a firm's executives. Source: Database on Ideology, Money in Politics, and Elections from Bonica.

APPENDIX B

CLASSIFYING PRESS RELEASES FROM RAVENPACK

This appendix describes how I collect firm-issued press releases in RavenPack, classify them into being CSR or non-CSR, and provide examples of CSR press releases (“CSR PRs”).

B.1 Collecting firm-issued press releases from RavenPack

RavenPack provides a large set of media data about firms, including firm-issued press releases and third-party news articles, beginning in 2000. I collect firm-issued press releases from the 2000-2021 period following steps recommended by a RavenPack representative. These steps are also largely consistent with the procedure in Huang (2022), who confirms her identified firm-issued press releases with articles retrieved in Factiva.

First, I obtain media articles that are classified as a “PRESS-RELEASE” news type by RavenPack and that RavenPack links to a firm. When a press release is linked to multiple firms, I keep the observation linked to the most relevant firm according to RavenPack’s relevance score. For example, suppose Firm A issues a press release that mentions Firm B; RavenPack generates two observations for the same press release, one linked to each firm, and the observation linked to Firm A has a higher relevance score. I keep the observation linked to Firm A, the firm that issues the press release.

Next, I retain press releases by firms that appear in Compustat from 2000-2021, resulting in around 3.1 million press releases. When firms issue press releases through newswires services, the services may break up press releases into a series of sub-stories for distribution (Huang, 2022). As a result, multiple observations may exist for the same press release, where the first observation contains the full headline and subsequent observations contain parts of the headline that end in numerical indicators (e.g., “-2-” or “-3-”). I exclude headlines ending in these numerical indicators. RavenPack may also have multiple observations for

the same press release when a firm sends one press release to multiple newswire services. In this situation, I keep the press release headline with the earliest timestamp. These two steps affect 35.9% of the 3.4 million observations.

I exclude observations that RavenPack classifies as “credit-ratings” or “analyst-ratings” because RavenPack is more likely to mis-classify these observations as firm-issued press releases (Huang, 2022). I also exclude credit-rating changes that are not classified as “credit-ratings” by identifying headlines that begin or end with “S&P,” “Moody’s,” and “Fitch.” These steps affect 5.6% of the 3.1 million observations. After the above procedures, I have about 1.8 million press releases.

A RavenPack representative advised that data coverage prior to 2004 is less comprehensive, so I start with 2004 in the empirical analysis. I end in 2017 due to Senator committee data limitations. In the 2004-2017 period, I have about 1.4 million press release headlines from RavenPack.

B.2 Classifying RavenPack press releases into CSR and non-CSR

I classify RavenPack press releases into CSR or non-CSR based on the text of press release headlines. RavenPack provides the headlines of a press release but not the full body text.

RavenPack has a taxonomy that labels press releases with certain topics. However, this taxonomy focuses on traditional business-related events, such as earnings announcements or M&A. Of the 2 million press releases from 2000-2021, 51.3% are labeled “business,” 0.5% are labeled “society,” 0.003% are labeled “politics,” and 48.2% are unlabeled. The part of the taxonomy explicitly related to “corporate-responsibility” (a sub-group under the “society” topic) only pertains to “sponsorship” or “donation” news, a subset of corporate CSR activity. For example, Moss et al. (2020) use RavenPack’s taxonomy to identify CSR news and find zero environment-related press releases from 2018-2019. However, during that time period, ABM Industries issued a press release with the headline, “ABM-Managed Fleet at Nashville

International Airport (BNA) Awarded Tennessee Green Fleets Certification for Sustainability,” and AES Corporation issued a press release with the headline, “AES Announces Carbon Intensity Reduction of 70 Percent by 2030; Publishes Climate Scenario Report.” Both examples are in RavenPack’s dataset but are not labeled by RavenPack’s taxonomy at all. This situation is rather common for the CSR PRs I classify within RavenPack.

B.2.1 BERT

I identify CSR PRs within RavenPack using textual analysis. I use a deep learning model called BERT (Bidirectional Encoder Representations from Transforms), a model developed by Google in 2018 (Devlin et al., 2019). BERT converts word inputs into tokens and vectors (i.e., word embedding) while taking context into account, so that words with similar meanings used in similar contexts have vectors closer together (Bochkay et al., 2022).¹ For text classification, BERT requires training data comprised of a set of press release headlines labeled as CSR-related and another set labeled as non-CSR-related. Then BERT learns how to identify between the two and applies this learning to unseen press release headlines.

To obtain labeled CSR PRs for BERT, I consider all press releases that firms distribute through CSRwire to be CSR-related.² CSRwire has around 33,000 press releases from 2000-2021, and I feed these into BERT as labeled CSR PRs. To obtain the labeled non-CSR press releases, I take the RavenPack press releases that RavenPack has already labeled as “business” (51.3% of RavenPack press releases) and randomly sample the same number of press releases per year as are in CSRwire, resulting in 33,000 “business” press releases from RavenPack.³ I feed the 33,000 “business” RavenPack press releases into BERT as the labeled

1. This ability to account for context is a key advantage of BERT over Word2Vec, a word-embedding model that has been more commonly used in the accounting literature. For example, BERT would give different vectors to the word “bank” when it is used in different contexts (e.g., “river bank” vs. “bank loan”), whereas Word2Vec would give the same vector to “bank” in both contexts (Bochkay et al., 2022).

2. Note CSRwire press releases are not included in RavenPack’s press release data. RavenPack’s press releases come from Dow Jones Newswire providers, of which CSRwire is not one.

3. For example, 1,406 CSRwire press releases occur in 2005, so I randomly sample 1,406 “business”

non-CSR PRs.

I implement BERT using *BertForSequenceClassification* from *Hugging Face* in Python.⁴ To fine-tune BERT, I split the 66,000 total press releases into a 60% training set, a 20% validation set, and a 20% testing set. BERT fine-tunes on the 60% training set and then applies what it learns to the out-of-sample validation set and testing set. BERT achieves an out-of-sample classification accuracy of 95%. In addition to accuracy, text-classification models use precision and recall as common performance metrics. Precision is the number of true positives divided by the number of positives identified by BERT (i.e., how many of the PRs identified as CSR by BERT actually came from CSRwire?). BERT achieves a precision of 96%. Recall is the number of true positives divided by the sum of true positives and false negatives identified by BERT (i.e., how many of the PRs from CSRwire were identified as CSR by BERT?). BERT achieves a recall of 95%. Based on these performance metrics, BERT successfully predicts if a press release is CSR- or non-CSR-related.

Next, I use the fine-tuned BERT model to classify the 2 million RavenPack press releases from 2000-2021. BERT returns a probability that a press release is CSR-related. Because the vast majority of press releases are likely not CSR-related, I set a conservatively high threshold of 90%. Overall, 8% of the RavenPack press releases are labeled as CSR. Together with the CSRwire press releases matched to Compustat firms, 164,153 CSR press releases occur from 2000-2021.

Please note that my use of CSRwire press releases as labeled CSR observations in the training data assumes these press releases actually contain CSR news. Firms may distribute through CSRwire strategically or firms operating in a CSR-adjacent space may consider all news about themselves to be CSR-related. For example, in May 2007, Akeena Solar announced through CSRwire, “Akeena Solar Expands Into New Corporate Headquarters.”

RavenPack press release headlines for the same year. I do this to have a balanced set of pre-labeled CSR and non-CSR PRs by year.

4. <https://huggingface.co/docs/transformers/model.doc/bert#transformers.BertForSequenceClassification>

Reading a portion of CSRwire press releases leads me to conclude that when firms use CSRwire to distribute press releases less clearly related to CSR activity, the firms tend to be “green technology” firms. In all empirical analyses, I include either a firm fixed effect or an industry-year fixed effect; estimating within-firm or within-industry mitigates the concern that my results are driven by a particular industry’s press release behavior.

B.2.2 Keyword search

Because RavenPack only provides the headline of a press release, I obtain the full content of a subsample of press releases. This pilot sample focuses on firms headquartered in states whose senators chair CSR-related committees from 2004-2017. The pilot sample includes S&P500 firms in those states, if there are any; if a state does not have S&P500 firms headquartered there, then the pilot sample includes all firms in the main sample in the state.

I conduct a keyword search across the full content of the pilot sample press releases to categorize the press releases into CSR categories of “environment,” “social,” and “general.” To create the keyword list, a research assistant and I read a set of CSRwire press releases and create a list of commonly appearing keywords and their synonyms. To more systematically ensure we include important keywords from CSRwire press releases, I use keyword extraction, a textual analysis technique that identifies and extracts the most important keywords and phrases in a body of text. I implement keyword extraction using *KeyBERT* in Python.⁵ The resulting extracted keywords are consistent with the keyword list built by me and the research assistant. The keywords are stemmed and tokenized and searched against the pilot sample press releases, which are also stemmed and tokenized. Out of the pilot sample, 20% of the press releases fall in the environment category, 54% are social, 3% are general, and the remaining 23% could not be categorized using keywords so are designated as “other.”

The stemmed environment keywords are “biodivers,” “biofuel,” “carbon dioxide,” “car-

5. <https://maartengr.github.io/KeyBERT/>

bon emiss,” “carbon footprint,” “carbon neutral,” “clean,” “clean power,” “climat,” “co2,” “co2 emiss,” “compost,” “conserv,” “deforest,” “earth,” “electr vehicl,” “emiss,” “energi effici,” “ev,” “global warm,” “green,” “greenhous gas,” “habitat,” “hybrid,” “methan abat,” “recycl,” “renew energi,” “solar,” “sustain,” and “wind turbin.”

The stemmed social keywords are “accid,” “african american,” “asian american,” “black,” “chariti,” “children,” “communiti” “disabl,” “divers,” “donat,” “enrich,” “equal,” “ethnic,” “femal,” “food bank,” “foundat,” “fundrais,” “gay,” “gender,” “grant,” “hispan,” “inclus,” “kid,” “latin american,” “latino,” “latinx,” “lesbian,” “lgbtq,” “low-incom,” “mental health,” “mentor,” “nonprofit,” “non-profit,” “outreach,” “people of color,” “philanthrop,” “philanthropi,” “poverti,” “racial equity,” “safeti,” “same-sex,” “school,” “social justice,” “sponsor opportuni,” “underrepres,” “volunt,” “woman,” and “women.”

The stemmed general keywords are “citizenship,” “corporat citizen,” “corporat social responsi,” “csr,” “esg,” “ethic,” “social responsi,” “stakehold,” and “stewardship.”

Table 13: Examples of CSR Press Releases

Firm	Date	Press release headline
Allstate Corp.	January 26, 2005	Executive Women at Allstate Fare Better Than Women at Other Companies According to the National Association of Female Executives - NAFE -
Rockwell Collins Inc.	March 16, 2005	Rockwell Collins Announces New Renewable Energy Initiative; Program is Designed to Reduce Company's Greenhouse Gas Emissions Nationwide
Massey Energy	October 28, 2009	Massey Energy Becomes First Mining Company to Win Three Sentinels of Safety Awards in a Single Year
AT&T	April 1, 2010	AT&T Supports EPA's National Cell Phone Recycling Week
Morgan Stanley	October 7, 2010	Morgan Stanley Smith Barney Hosts a Private Reception Saluting Iconic African-American Women
Dow	March 30, 2012	Dow Partners with National Society of Black Engineers to Bring SEEK to Detroit
Mondelez International	July 30, 2012	Kraft Foods Foundation Helps Populations Most At-Risk for Hunger
Ford Motor Co.	April 6, 2015	Honeywell And NASA Bring Hip-Hop Physics Educational Series To Middle Schools In Rhode Island
CME Group	July 18, 2016	CME Group Foundation Grants \$3.6 Million to Support Math Education for Illinois Children
Symantec	September 19, 2016	Symantec Named to the Dow Jones Sustainability North America Index for Tenth Consecutive Year

This table lists examples of CSR press releases identified by BERT.

APPENDIX C

ADDITIONAL APPENDIX TABLES

Table 14: Senate Committees and Affiliated Federal Departments by Nominations

Senate committee	Affiliated federal departments or agencies
Agriculture, Nutrition, and Forestry	Commodities Futures Trading Commission, Department of Agriculture, Farm Credit Administration, Federal Agricultural Mortgage Association
Appropriations	All
Armed Services	Department of Defense, U.S. military branches
Banking, Housing, and Urban Affairs	Counsel of Economic Advisers, Department of Housing and Urban Development, Department of Treasury, Export-Import Bank, Federal Reserve, FDIC, National Credit Union Administration, SEC, Securities Investor Protection Corporation
Budget	Congressional Budget Office, Office of Management and Budget
Commerce, Science, and Transportation	Coast Guard, Consumer Product Safety Commission, Department of Commerce, Department of Transportation, Federal Communications Commission, Federal Maritime Commission, Federal Trade Commission, NASA, National Oceanic and Atmospheric Administration, National Transportation Safety Board
Energy and Natural Resources	Department of Energy, Department of Interior, Federal Energy Regulatory Commission
Environment and Public Works	Chemical Safety and Hazard Investigation Board, Department of Interior, Environmental Protection Agency, Fish and Wildlife Service, Nuclear Regulatory Commission

(Continued)

Appendix C Table 14, continued

Variable	Definition
Finance	Department of Commerce, Department of Health and Human Services, Department of Treasury, Internal Revenue Service, Social Security Administration, U.S. Trade Representative
Foreign Relations	Department of State, U.S. Agency for International Development
Health, Education, Labor, and Pensions	AmeriCorps, Department of Education, Department of Health and Human Services, Department of Labor, Equal Employment Opportunity Commission, Mine Health and Safety Administration, National Labor Relations Board, Occupational Health and Safety Administration
Homeland Security and Governmental Affairs	Department of Homeland Security, Federal Labor Relations Authority, Postal Commission
Intelligence	Central Intelligence Agency, National Security Agency
Judiciary	Bureau of Alcohol, Tobacco, Firearms, and Explosives, Department of Justice, Federal Bureau of Investigation, U.S. Patent and Trademark Office
Rules and Administration	Federal Election Commission
Small Business and Entrepreneurship	Small Business Administration
Veterans' Affairs	Department of Veterans' Affairs

This table lists the Senate committees and federal departments and agencies affiliated with each committee based on where personnel nominations are first referred. The sources for these nominations are the websites of each committee listing nominations during Congresses within the sample period.