

Panel of Business Professors Gives Goldman Sachs a Grade of ‘C-’ for New Campaign Contribution Policies

PHILADELPHIA (September 8, 2016)—A Drexel University poll asked a panel of business school professors to grade Goldman Sachs on new rules that effectively ban the firm’s partners from contributing to certain political campaigns, including the Trump-Pence ticket. Overall, the panel, involving experts from 39 world-renowned universities gave Goldman Sachs a “C-” for how it is handling this political issue.

The *Real Time Expert Poll* © involves a panel of experts hailing from 39 world-renowned universities, including Oxford, Cornell, Columbia, INSEAD, Georgetown, Princeton and the University of Pennsylvania. This is the first such poll by the panel—sponsored by the Institute for Strategic Leadership at Drexel’s LeBow College of Business—that will periodically grade companies that take political stands and also rate management on its transparency, consistency and other dimensions.

The poll is designed to shed light on a topic of increasing relevance to corporations. It provides immediate feedback from leading scholars to companies that become involved in political issues.

The Goldman Sachs policy in question — effective as of Sept. 1 — restricts top employees from contributing to campaigns of politicians running for state or local offices, as well as donations to state officials who are seeking federal office. This policy effectively bans donations to the Trump/Pence ticket since Pence is governor of Indiana.

A total of 27 panelists participated in this round of the poll. Grades from panelists ranged from “A” to “F.” The average grade, using a standard GPA calculation was a “C-.” Grades were fairly consistent across political leanings of the panelists, although grades from self-reported left-leaning panelists were somewhat higher, averaging a “C+.”

“A dominant theme from this poll is that Goldman Sachs needs to do more to explain the rationale behind the new rules,” said Daniel Korschun, an associate professor at Drexel’s LeBow College of Business, and lead administrator of the poll.

Panelists agreed that the company should examine its campaign contribution policies. “The idea of limiting reputational threats from contributions is forward thinking,” wrote one panelist in open-ended comments. “[But] the execution is lacking because of the [apparent] loop holes and appearance of favoring a ticket.” Another characterized the policy as “probably prudent, if perhaps ill-timed on the part of the firm.” Yet another wrote “the timing and scope of the rule gives an appearance of political favoritism.”

Along with an overall grade, the poll asked panelists to rate the company on four additional

dimensions on a scale of 1-5. The panel rated this campaign contribution policy as “materially relevant for stakeholders” (3.6). It also gave adequate marks for the consistency of the policy with Goldman Sachs’ core values (3.1). However, the panel found fault with the company’s transparency (2.3) and gave somewhat lower scores for leadership on the issue (2.6).

The *Real Time Expert Poll* © will be administered periodically when a company takes a public stand on a political issue. Panelists self-report their political leaning as liberal, middle of the road, or conservative. The complete lists of panelists and more information about the poll is available at www.lebow.drexel.edu/corporate-political-activism-panel. Questions about the panel, poll, and methodology can also be directed to Korschun at dek46@drexel.edu.

About the Institute for Strategic Leadership

The Institute for Strategic Leadership (ISL) at Drexel University’s LeBow College of Business connects executives worldwide with the latest leadership insights through research, educational programs and events inspired by a world of accelerating economic and technological change. For more information, visit www.Lebow.drexel.edu/ISL.

News media contact: Niki Gianakaris, director of Media Relations, University Communications, 215.895.6741, 215.778.7752 (cell) or ngianakaris@drexel.edu