



Re: Business Roundtable 2019 Statement

Dear CEO signatories,

Five years ago, the Business Roundtable released a statement redefining the purpose of a corporation. Until that time, most Americans assumed the purpose of a corporation was to deliver quality products and services. In fact, even the Business Roundtable acknowledged in statements dating back to 1997 that corporations exist principally to serve shareholders. The 2019 letter changed that. 181 American CEOs declared that the modern purpose of a corporation is to support stakeholders.

This would be a laudable sentiment if it simply referred to the idea that American businesses should invest in America and its workers. Unfortunately, that is not the case. Since this newfound purpose was outlined in the letter, corporate America has confronted a series of challenges.

Here are some examples:

- In 2020, American Express held a company-wide seminar teaching its employees that “capitalism is racist” and to correct it by redistributing wealth based on race.
- In 2020, American corporations donated over \$82 billion to Black Lives Matter and related organizations, even though BLM did not have 501(C)(3) status for most of that year. Donations given under such dubious circumstances exposed an incredible lapse in corporate governance.
- In 2021, 282 corporate leaders signed the partisan Civic Alliance Joint Statement on Protecting Voting Access, labeling efforts to tighten voter security and prevent illegal immigrants from voting in elections as “imposing barriers” and “making voting more difficult.”
- In 2022, Disney called for the repeal of a Florida law that strengthened parental rights to be repealed, resulting in considerable backlash. Disney has admitted that the high-profile dispute has cost it, acknowledging in a [corporate disclosure](#) last year that “consumers’ perceptions of [its] position on matters of public interest, including [its] efforts to achieve certain of [its] environmental and social goals, often differ widely and present risks to [its] reputation and brands.”
- In 2022, corporate America’s embrace of ESG investing led nine states to divest \$13.3 billion from asset managers, including BlackRock.
- In 2023, Bud Light and Target lost over \$27 billion because of controversial marketing that alienated consumers. Target is now in litigation for a violation of its fiduciary duty, proving that adopting and supporting far-left advocacy represents a substantial risk to shareholders.

- In 2024, prominent tech companies cast aside DEI policies pledging instead to hire and promote solely on merit. The pledges were likely informed by the United States Supreme Court's decision in *Students For Fair Admissions, Inc. v. President and Fellows of Harvard College*. In that case, the court found that affirmative action admissions programs violate the equal protection clause of the 14th Amendment. Several legal scholars have argued that the court's rationale could place limitations on DEI practices in the corporate context.
- In 2024, the president of the International Brotherhood of Teamsters spoke at the Republican National Convention and specifically criticized the Business Roundtable.
- In 2024, a study from The Society for Human Resource Management found that 64% of US workers have experienced or witnessed people being treated poorly in the workplace due to politics.

In the five years since the Business Roundtable redefined the purpose of a corporation, businesses have embraced activist policies at the expense of customers, tarnished relationships with regulators, marginalized the value-sets of employees, and created real risks for shareholders. There are, however, signs of change.

In June of this year, Tractor Supply Company outlined a plan of steering the company away from partisan agendas that alienate customers, jeopardize profits, and hurt the return on investment to shareholders. Members of the Business Roundtable would benefit from taking such bold action.

I hope as we approach the five-year anniversary of the 2019 letter that the Business Roundtable strongly considers returning to the previous definition on the purpose of a corporation: corporations exist principally to serve shareholders. Returning to maximizing shareholder value will serve all stakeholders better than virtue signaling.

It's time to get businesses back to business. Every day that corporate America opposes its proper purpose is a day filled with further financial and legal risks to shareholders. 1792 Exchange firmly believes that prioritizing shareholder interests and delivering quality products and services best paves the way for your success and the American economy.

Best,



Daniel J. Cameron  
Chief Executive Officer

1792 Exchange offers [pro bono, confidential help](#) from a team of former Fortune 100 executives. We understand the importance of building a strong culture that respects all viewpoints and specialize in helping organizations steer back to neutral.