

PAC 101

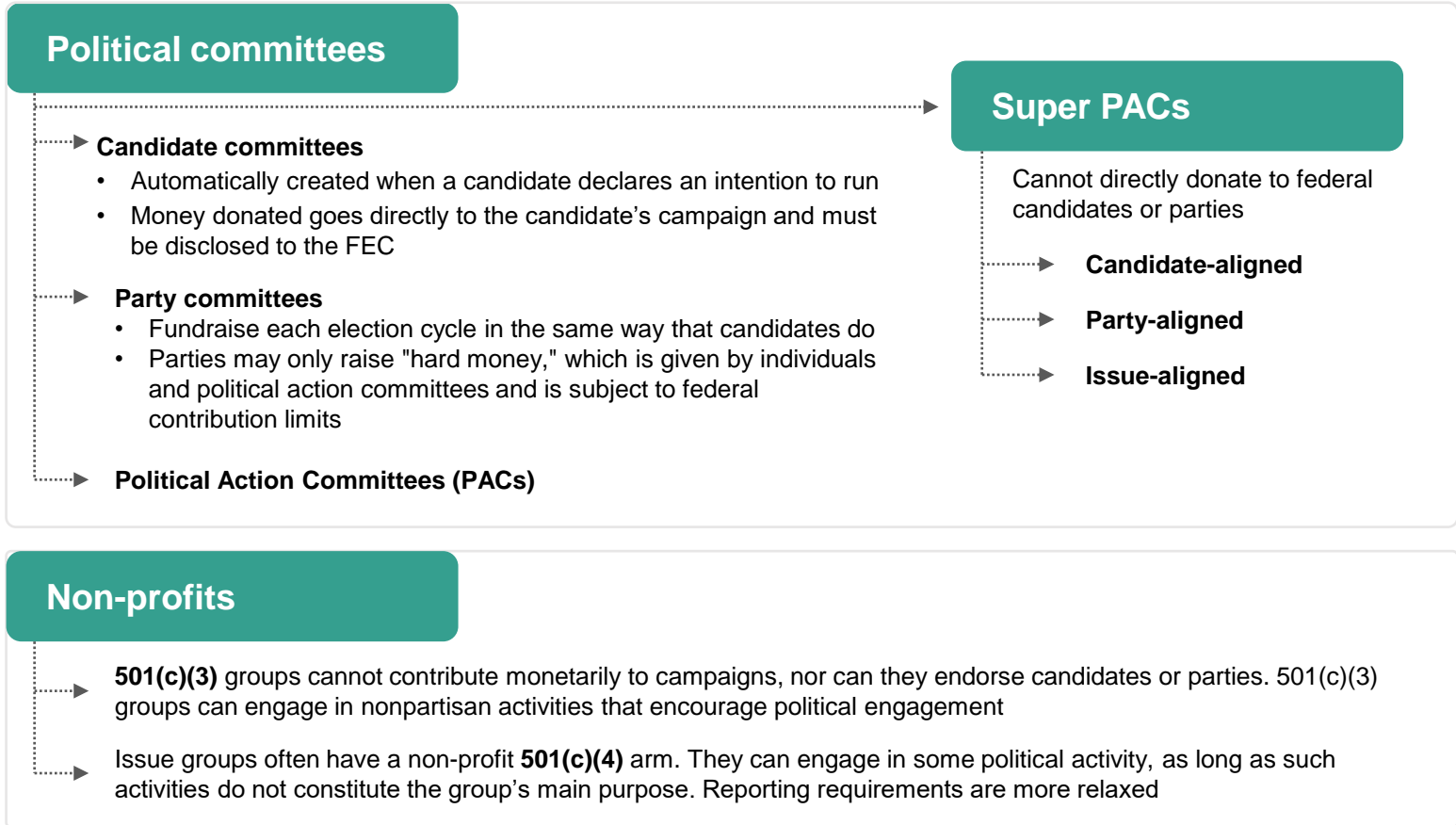
An introduction to political action committees, the importance of PAC giving, and current PAC figures

March 1, 2024

Roadmap

- **What is a PAC?**
- Rules and regulations
- Trends in the 2022 cycle
- Importance of PAC giving
- 2022 cycle financial trends

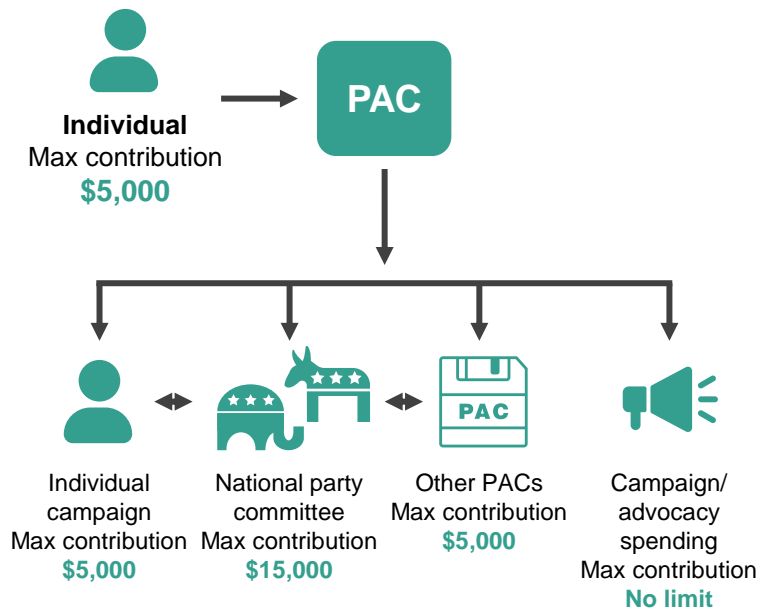
Understanding the political fundraising landscape, and the various ways to donate



Differences between PACs and Super PACs

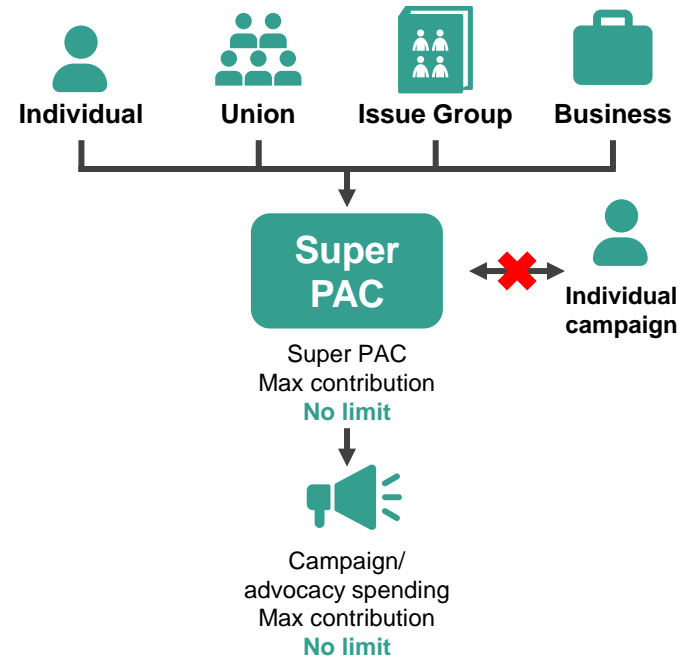
PACs

Political Action Committees pool donations from people with similar views or goals to then spend on election activities; PACs are regulated by the FEC, which limits contributions to and from each PAC



Super PACs

Super PACs similarly pool money from like-minded individuals and are regulated by the FEC; Super PACs do not have contribution or donation limits, but unlike regular PACs, they cannot donate directly to a candidate



Trends in PAC giving and tips for addressing PAC issues

1

Dealing with trend of candidates renouncing PAC contributions

- Education on what PACs are and are not
- Events to discuss campaign finance

2

Getting ahead of PAC conversations and engaging CEOs

- Bring CEOs to DC for engagement
- Find senior leadership and board member champions

3

Managing internal pushback on PAC giving

- Focus on most important policy goals
- Select members with broader support
- Plan branded events for engagement and locate potential internal PAC ambassadors

4

Addressing members whose companies already have PACs

- Make expectations of board members clear
- Can use email campaigns, good government events, or peer-to-peer contact

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Though complex, rules about campaign finance stem from three main focal points

KEY PILLARS OF CAMPAIGN FINANCE REGULATION



Contribution limits

- Contribution limits restrict the size of contributions made to candidates, political action committees, and political parties



Reporting and disclosure

- Reporting and disclosure rules require groups that hit spending thresholds to register with the FEC, and publicly disclose contributions and expenditures



Source restrictions

- Source restrictions prohibit certain individuals or entities from engaging in campaign activity
- Only US citizens or permanent residents are permitted to make contributions or election related expenditures

While an individual can contribute in a variety of ways, certain contributions may be limited

RECIPIENT	LIMIT
Candidate committee	\$3,300 per election*
PAC: multicandidate	\$5,000 per year
State/district/local party committee: multicandidate	\$10,000 per year (combined)
National party committee	\$41,300 per year*
Additional national party committee accounts	\$123,900 per account, per year*
Super PAC	Unlimited
Non-profit	Unlimited

*Indexed for inflation in odd-numbered years

Different types of political fundraising groups have distinct benefits and limits

	CONTRIBUTION LIMIT	MUST DISCLOSE DONORS?	CAN COORDINATE WITH CANDIDATE?	CAN BE PRIMARILY POLITICAL?	CAN EXPRESSLY TELL VOTERS WHO TO VOTE FOR?	REGULATOR
Traditional PACs	\$5,000 per year	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	FEC
Super PACs	Unlimited	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	FEC
501(c)(4) Non-profit	Unlimited	<input checked="" type="checkbox"/> NO	<input checked="" type="checkbox"/> NO	<input checked="" type="checkbox"/> NO	<input checked="" type="checkbox"/> NO	IRS
527 Non-profit	Unlimited	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	<input checked="" type="checkbox"/> YES	<input checked="" type="checkbox"/> YES	IRS

Roadmap

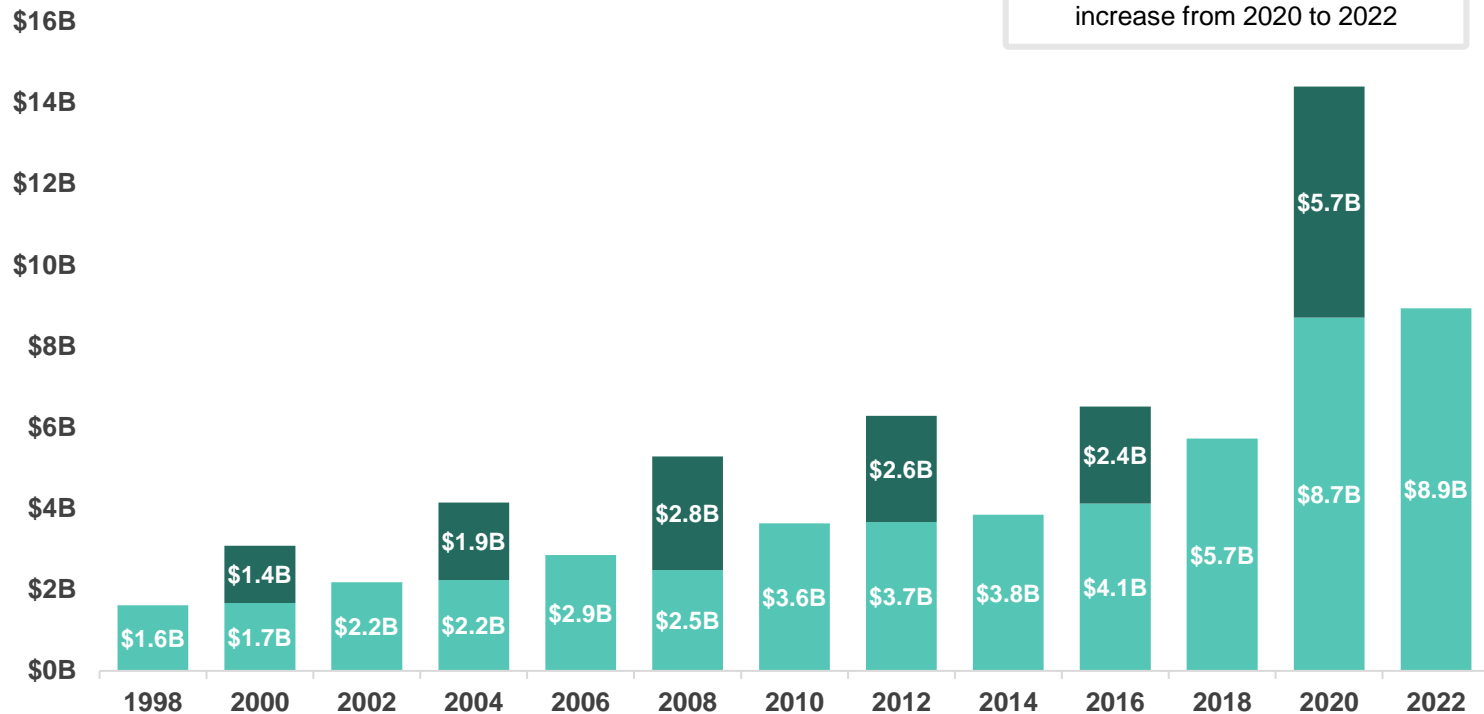
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The cost of federal elections has increased over the past 22 years

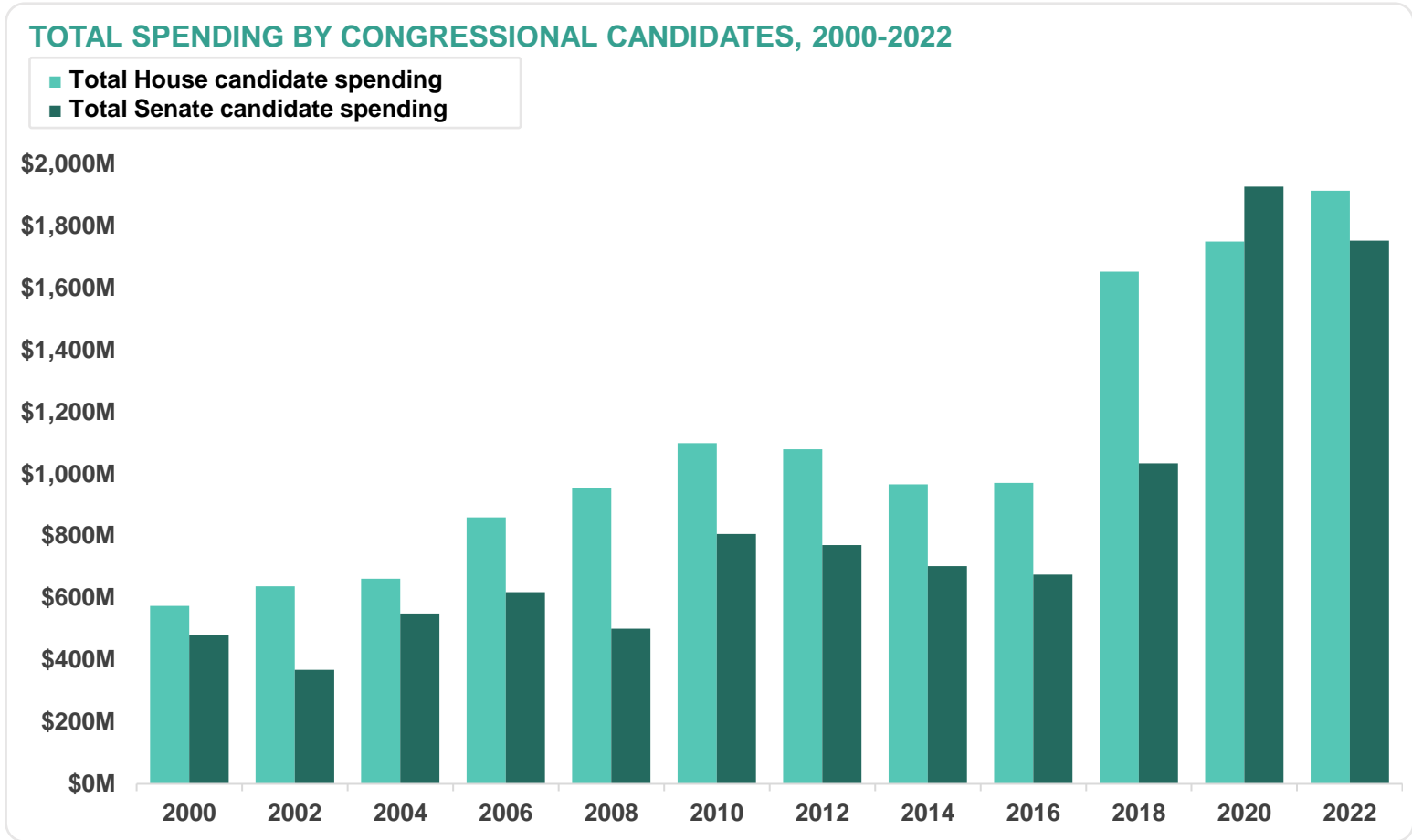
TOTAL SPENDING ON ELECTIONS, 1998-2022

INCLUDES CANDIDATES, POLITICAL PARTIES, AND INTEREST GROUPS

■ Presidential race ■ Congressional races



Total spent by congressional candidates per cycle



SOURCE OpenSecrets.
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Roadmap

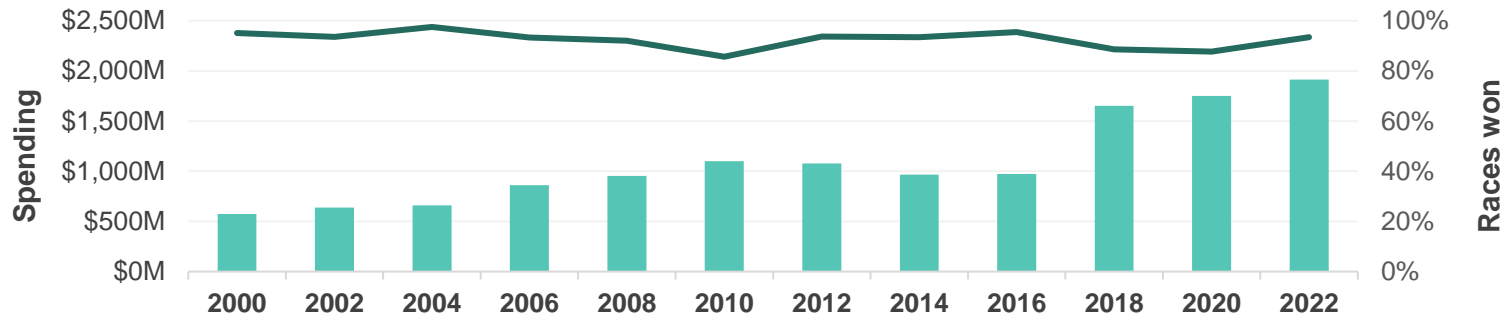
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Winning candidates are usually the top-spenders

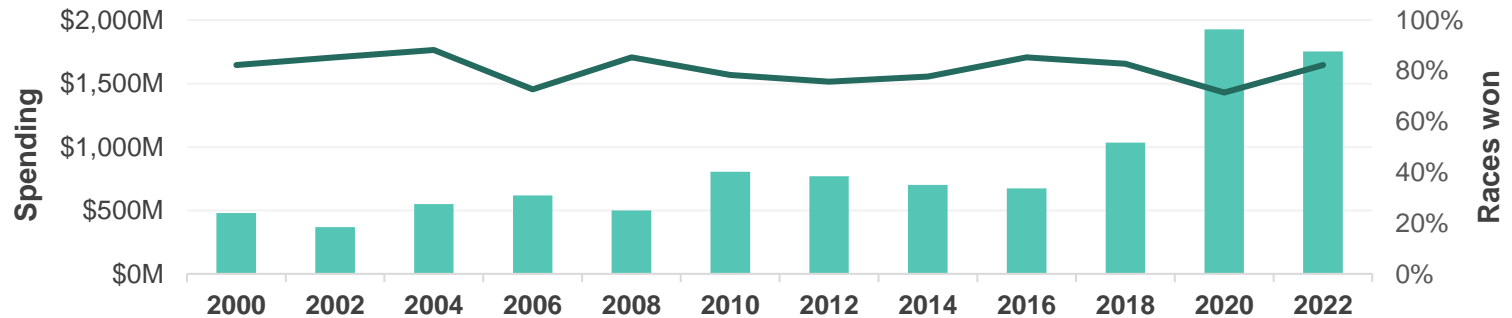
CANDIDATE SPENDING AND PERCENT OF WINNERS WHO WERE TOP SPENDERS, 2000-2022

- Spending by candidates
- Percent of races won by the top spending candidates

HOUSE RACES

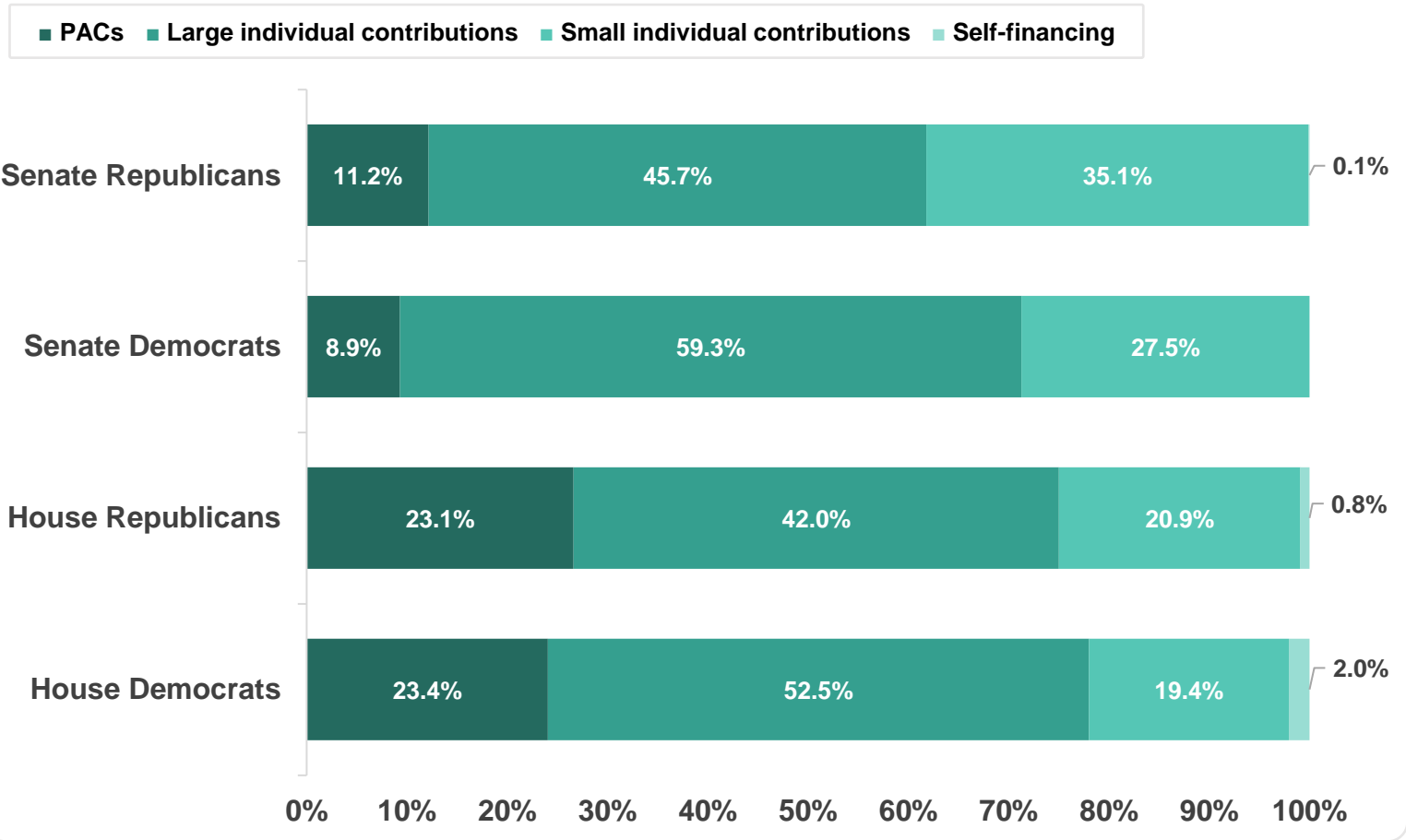


SENATE RACES



Members of the House relied the most on PAC contributions in 2022

SOURCE OF FUNDS BY CHAMBER AND PARTY, 2022



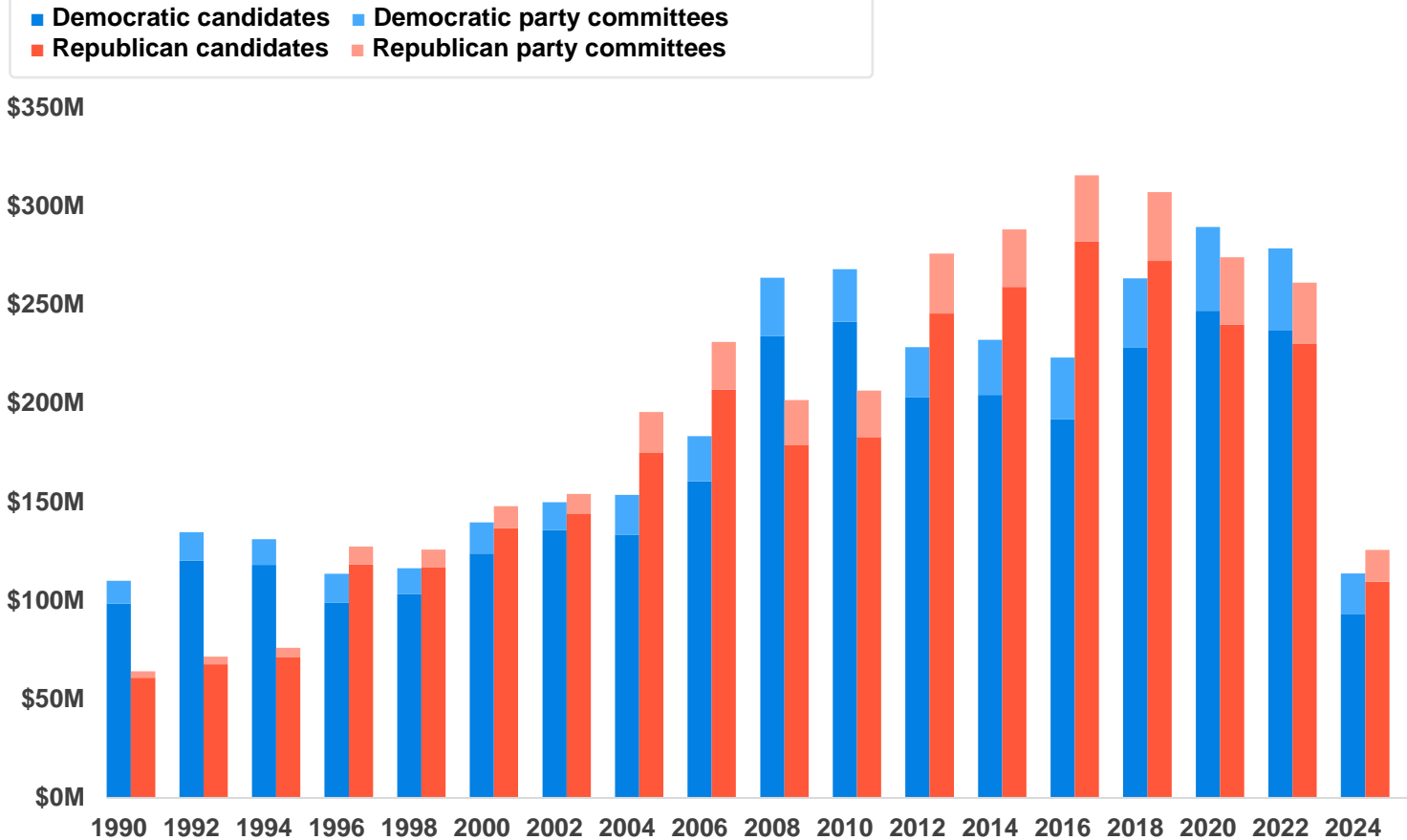
SOURCE OpenSecrets.
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Historical PAC spending

PARTY AND RECIPIENT TYPE SPENDING TOTALS, 1990-2024

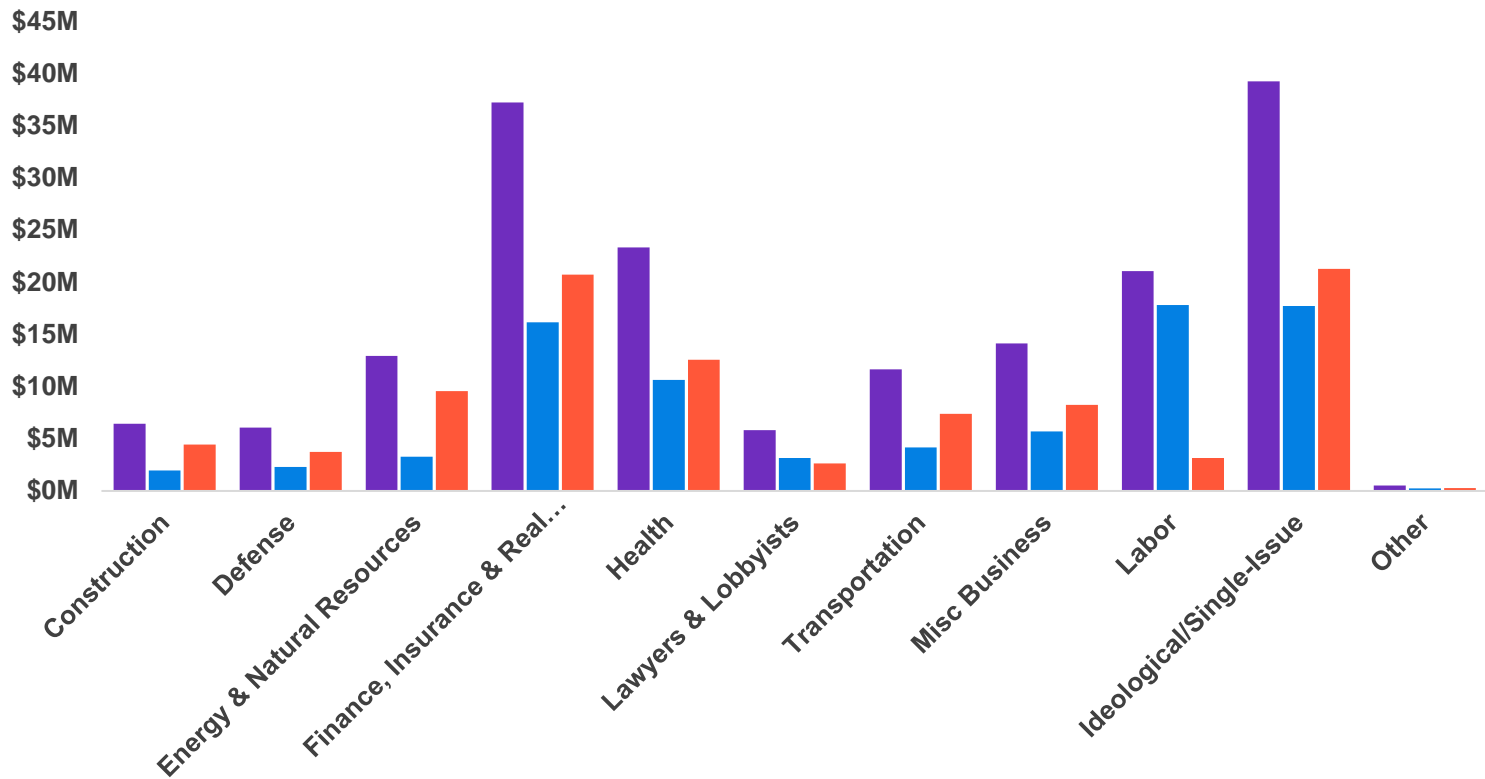


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Industry sector contributions

SECTOR TOTALS, 2023-2024 CYCLE

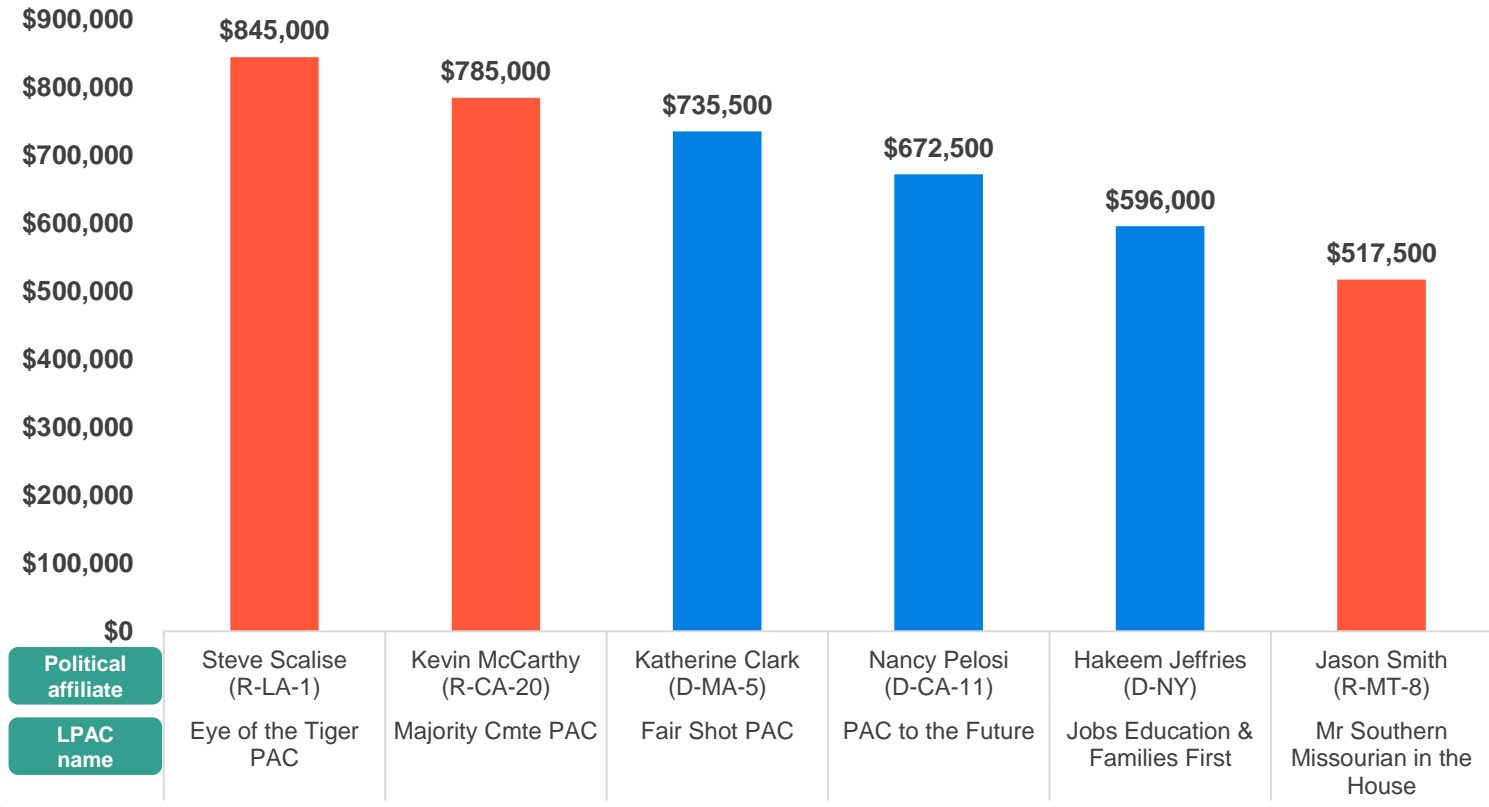
■ Total ■ Democrats total ■ Republicans total



Top 6 Leadership PAC (LPACs) contributors

TOTAL LPAC CONTRIBUTIONS, 2023-2024

■ To Democrats ■ To Republicans



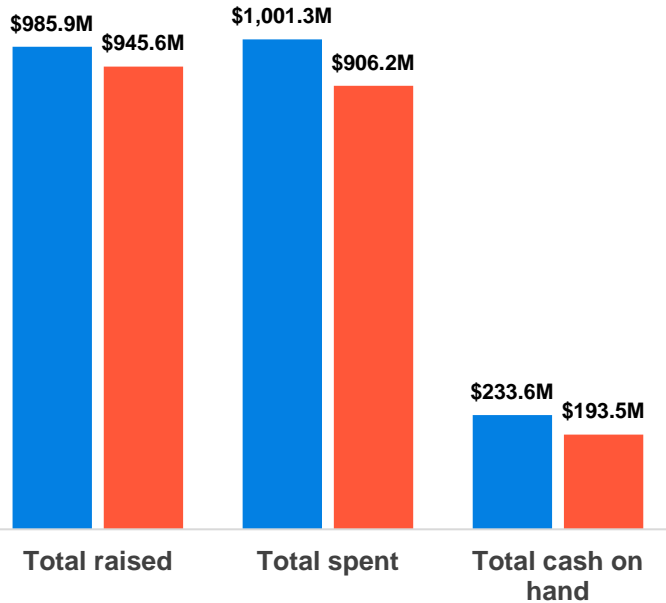
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Democratic candidates outraised and outspent Republican candidates in the House and Senate

HOUSE CANDIDATE FINANCIAL ACTIVITY

AS OF APRIL 18, 2023

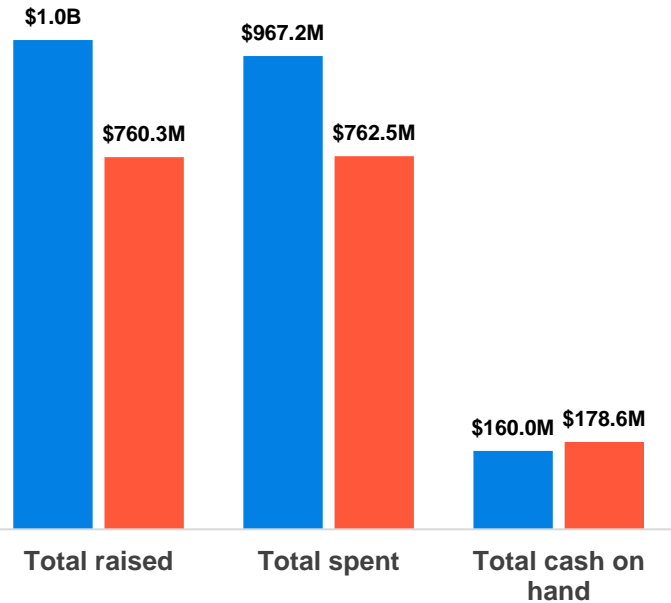
■ Democrat ■ Republican



SENATE CANDIDATE FINANCIAL ACTIVITY

AS OF APRIL 18, 2023

■ Democrat ■ Republican



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