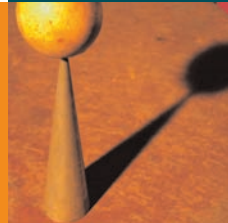


2006  
**TRENDS**  
in  
**POLITICAL  
ACTION**  
Committees

SOLUTIONS



# 2006 TRENDS in POLITICAL ACTION Committees

## FUNDRAISING

**\$345**

average annual individual contribution Federal PACs received from members/employees

**19%**

average member/employee participation

### Where PACs look for fundraising ideas

- 89%** Other PACs
- 64%** Professional Organizations
- 51%** Consultants
- 18%** Internet
- 14%** Non-profits

### Rank of the most effective fundraising methods (most to least effective)

- |                                   |     |
|-----------------------------------|-----|
| 1) One-on-one solicitation        | 61% |
| 2) Dues billing/Payroll deduction | 55% |
| 3) Special events                 | 30% |
| 4) Meetings and presentations     | 29% |
| 5) Charity/PAC Match programs     | 11% |
| 6) Professional telemarketing     | 11% |
| 7) Volunteer telemarketing        | 8%  |
| 8) Direct mail                    | 6%  |

*“Fundraising success is tied to transparency of process, value to the donor and leadership”*

**80%**

have a fundraising plan for the PAC

**18%**

conduct a fundraising and/or communications audit

**25%**

is the average total cost of fundraising for each dollar raised

### Average direct expenses for PAC fundraising activities

Expenses*	PAC Receipts
<b>\$329,000</b>	More than \$1 Million
<b>\$116,600</b>	\$750,000 - \$1 Million
<b>\$107,000</b>	\$500,000 - \$750,000
<b>\$41,000</b>	\$250,000 - \$500,000
<b>\$38,000</b>	\$100,000 - \$250,000
<b>\$29,000</b>	Less than \$100,000

\*Doesn't include expenses for labor and overhead.

### Top fundraising activities by volunteers

- 1) Peer-to-peer solicitations
- 2) Attend and speak at special events
- 3) Host fundraising events
- 4) Advocate the PAC through education

### Rank of the most effective recognition activities

- |                                    |     |
|------------------------------------|-----|
| 1) Special events                  | 50% |
| 2) Donor clubs                     | 35% |
| 3) Thank-you letters               | 35% |
| 4) Pins and ribbons                | 30% |
| 5) Gifts and awards                | 23% |
| 6) Announcements & meetings        | 20% |
| 7) Names in publications           | 11% |
| 8) Educational programs / Seminars | 5%  |

*“We try to think outside of the box and realize that change can bring success”*

**77%**

use newsletters and emails to communicate PAC information

**36%**

of Corporate Trade Associations will attempt to implement association payroll deduction for the PAC

**48%**

of Corporate PACs ask for at least 0.5% of annual salary as a contribution from senior executives

23% do not ask for a specific amount

### Obstacles to PAC fundraising

- 1) Prior authorization for Corporate Trade Associations
- 2) Communicating with dispersed groups of employees/members
- 3) Staying within legal guidelines when trying to communicate
- 4) Lack of knowledge about the PAC
- 5) Competition among other internal programs to raise money

## COMPLIANCE

**94%**  
maintain a PAC board

**71%**  
of government affairs staff make PAC  
expenditure decisions

**24%**  
conduct mandatory compliance education  
about PAC and lobbying laws

**62%**  
believe that Prior Authorization for  
Corporate Trade Associations  
should be abolished

47% of corporations agree

**74%**  
manage FEC compliance and filing  
using internal staff

*“ Keeping up with state laws can be  
difficult, some states also make  
it burdensome for PAC participation ”*

**86%**

maintain a policies and procedures guide  
for PAC operations

### PAC management software use among respondents

- 45%** use Vocus
- 15%** use FECfile
- 14%** use Democracy Data & Communications
- 10%** use Other
- 6%** use Aristotle
- 5%** use None
- 3%** use Pontecchio
- 2%** use Capitol Advantage

### Obstacles to compliance

- 1) Ensuring compliance with various state laws
- 2) Keeping up with FEC regulations and filing requirements
- 3) Prior authorization
- 4) Limiting solicitation materials to the restricted class

## POLITICAL ACTIVITY

**76%**  
contribute to national party committees

**83%**  
contribute to leadership PACs

**42%**  
will engage in in-kind fundraising activities  
for Federal candidates

**18%**  
contribute to Presidential campaigns

**54%**  
of PAC dollars are delivered to federal  
candidates by Washington representatives

*“ Given the current era of reforms, PACs will  
continue to play a bigger role in politics ”*

**8%**  
will engage in in-kind polling activities  
for Federal candidates

**17%**  
will engage in Partisan Communications

**52%**  
will engage in Issue Advocacy activities

**14%**  
will engage in Independent Expenditures

# THE NEXT THING

The following represents respondent opinions about future advancements and/or changes in fundraising, compliance and political activity

## FUNDRAISING

- 1) Electronic prior authorization, solicitations and contribution processing
- 2) Increasing contribution limits by indexing of PAC limits
- 3) Increase Charity/PAC Match programs
- 4) PAC duties assigned to officers
- 5) Abolish prior authorization

## COMPLIANCE

- 1) Increasing individual contribution limits to candidates
- 2) Increasing PAC contribution limits to candidates
- 3) Indexing of PAC contributions tied to inflation
- 4) 527's required to register and file with FEC
- 5) Abolish prior authorization

## POLITICAL ACTIVITY

- 1) Internet communications
- 2) Online voting/elections
- 3) Data-mining allowing targeting of donors to be more precise
- 4) Micro-targeting specific messages to constituents
- 5) Increased issue advocacy and independent expenditures
- 6) Pod-casts and vod-casts
- 7) Reforms of 527 Committees
- 8) Corporate involvement in GOTV activities



## Respondent Information

**86%**

of respondents raised more than \$100,000 for their Federal PAC in 2005

## Respondent PAC Size

Less than \$100,000	<b>14%</b>
\$100,000 - \$250,000	<b>27%</b>
\$250,000 - \$500,000	<b>20%</b>
\$500,000 - \$750,000	<b>15%</b>
\$750,000 - \$1 million	<b>6%</b>
More than \$1 million	<b>18%</b>

A qualitative study of business political action committee professionals (46% corporate; 54% association) intended to provide America's leading political organizations a better understanding of the PAC marketplace, your organization's place in it, and tactics you can implement to better accomplish your internal and external goals. (Margin of error +/- 2.9%)

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