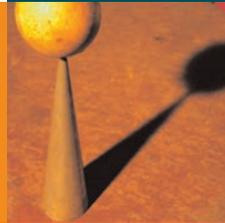


2006
TRENDS
in
**POLITICAL
ACTION**
Committees

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
\$329,000	More than \$1 Million
\$116,600	\$750,000 - \$1 Million
\$107,000	\$500,000 - \$750,000
\$41,000	\$250,000 - \$500,000
\$38,000	\$100,000 - \$250,000
\$29,000	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	14%
\$100,000 - \$250,000	27%
\$250,000 - \$500,000	20%
\$500,000 - \$750,000	15%
\$750,000 - \$1 million	6%
More than \$1 million	18%

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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