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PAConomics

Economic Predictors of Business PAC Fundraising

A 30-Year Analysis: 1995 - 2024 | Washington, DC | April 2026

Does inflation, GDP, unemployment, the stock market, or balance of power predict business PAC fundraising?

About the Authors



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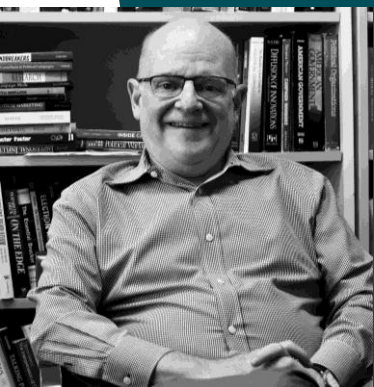
is Managing Partner of Sagac Public Affairs, a national company providing communications, research, fundraising and management solutions to America's top business political action committees. He has influenced the direction of political finance activities throughout the United States for three decades. As a leader in the political community, he helps clients raise and spend some \$360 million each election cycle.



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About Dr. Michael Cornfield



> Professional Background

Dr. Michael Cornfield is a Senior Fellow at the Center for Political Management and Associate Professor at The George Washington University. He also serves as Research Director of the university's Global Center for Political Engagement.

With over 30 years in political research, he is recognized for work in voter behavior, political communication, presidential rhetoric, and digital campaigning.

> Publications & Media

He is the author of Politics Moves Online and co-editor of The Civic Web. His insights have appeared in Campaigns & Elections, on XM Radio, and in numerous academic collections.

> Education & Expertise

Dr. Cornfield holds a B.A. from Pomona College and a Ph.D. from Harvard. He previously taught at UVA and William & Mary and served as a Senior Research Consultant to the Pew Internet & American Life Project.

He lives in Arlington, VA, and specializes in strategic messaging, digital advocacy, crisis communications, and online campaign training.

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Today's Agenda

What we'll cover today

01

Project Overview & Purpose

Why PAConomics? What we set out to discover.

02

Defining the Terms

PAC types, economic indicators explained.

03

Data & Methodology

What we analyzed, how we aligned the data.

04

Analysis & Results

Variable by variable: what correlates, what doesn't.

05

The Big Picture Findings

Key takeaways and the story the data tells.

06

Implications for Business PACs

What this means for PAC strategy.

07

How to Use This Information

Practical framework, next steps.

Q&A

Open discussion welcome throughout

Project Overview & Purpose

01



*Why PAConomics?
What we set out to discover.*

The Origin Question

What sparked PAConomics

Every business PAC manager has asked or been asked some version of these questions:

“When the economy is strong, do our donors give more?”

“When there's uncertainty, do they give less or more?”

“Does it matter who controls Washington?”

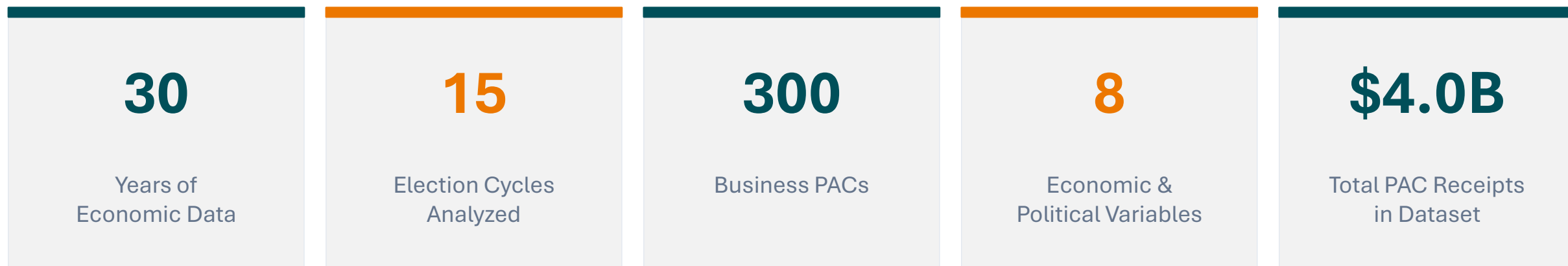
PAConomics is a data-driven attempt to answer those questions rigorously – using 30 years of economic data matched against business PAC fundraising across 15 election cycles.



The goal: move from intuition to evidence.

Scope & Scale of the Analysis

What 30 years of data looks like



Analysis Timeline: 15 Election Cycles



8 Variables Tested: Inflation • CPI • Unemployment • GDP • PCE • S&P 500 • Major Legislation • Balance of Power

Defining the Terms



PAC types, economic indicators, and the vocabulary of PAConomics.

02

What Is a Business PAC?

The three types of business PACs in this analysis



Corporate PAC

Who sponsors it:
Sponsored by for-profit corporations

Who contributes:
Employees, executives, stockholders

Example:
Boeing PAC, Koch Industries PAC, UPS PAC

Share of total:
~53% of business PAC total

2024 cycle:
\$167M in 2024 cycle



Trade Association PAC

Who sponsors it:
Sponsored by industry trade associations

Who contributes:
Member company employees and executives

Example:
AmeriChem PAC, US Chamber PAC

Share of total:
~33% of business PAC total

2024 cycle:
\$117M in 2024 cycle



Member Organization PAC

Who sponsors it:
Sponsored by membership organizations

Who contributes:
Individual members of the organization

Example:
REALTORS® PAC, AMPAC, ADPAC

Share of total:
~20% of business PAC total

2024 cycle:
\$71M in 2024 cycle

*All three types are subject to FEC reporting requirements and contribution limits.
This analysis combines all three into 'Total Business PAC Receipts' and also examines each type independently.*

The Election Cycle: How PAC Data Is Reported

Why we use 2-year cycles as our unit of analysis

PAC fundraising is reported and analyzed by 2-year federal election cycles.



- Each cycle covers January 1 of the odd year through December 31 of the even year.
- PAC receipts are totaled across the full 2-year window – not just in election months.
- All monthly and quarterly economic indicators are aligned to the same 2-year window.
- PAC fundraising is continuous activity – not just a pre-election push.

Economic Indicators: Plain-language Definitions

What each variable measures and why it might matter

GDP

Gross Domestic Product

Total US economic output. The broadest measure of economic size and growth.

PCE

Personal Consumption Expenditures

Total consumer spending. The Federal Reserve's preferred economic gauge.

CPI

Consumer Price Index

Average change in prices paid by urban consumers for goods and services.

Infl.

Annual Inflation Rate

Year-over-year percentage change in the price level. CPI summarized annually.

Rate

Unemployment Rate

Percentage of the labor force actively seeking but unable to find work.

**S&P
500**

S&P 500 Annual Return

Return from the 500 largest US stocks. Proxy for corporate health.

Legis

Major Legislation Activity

Count and character of major legislation: Deregulatory, Expansionary, or Defeated.

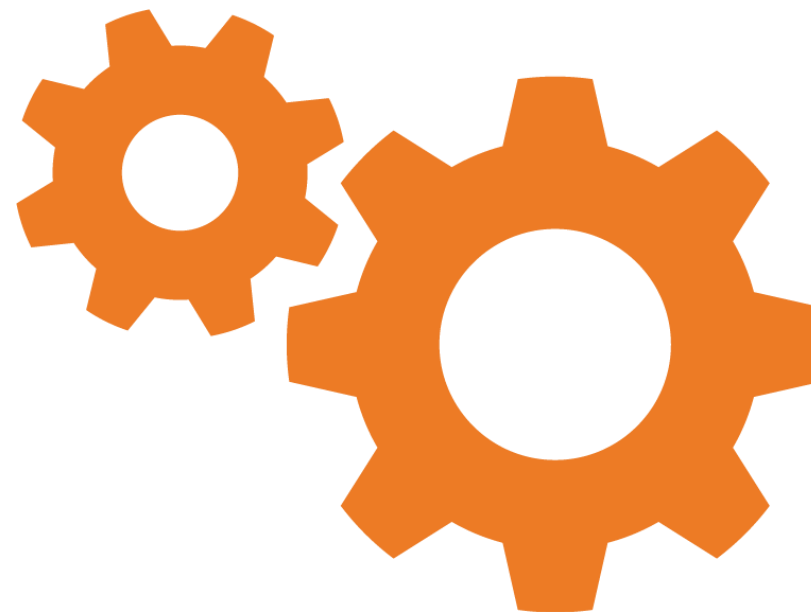
Power

Balance of Power

Which party controls House, Senate, and White House. Unified vs. divided.

Data & Methodology

03



*How we aligned the data and what
the statistics mean.*

Methodology: How We Built PAConomics

Data alignment, aggregation, and statistical approach

1

Data Collection

FEC PAC data for 300 top business PACs (1996–2024 Election Cycles). FRED economic data for 5 indicators. Manually compiled legislation and balance-of-power datasets.

2

Cycle Alignment

Monthly/quarterly economic data averaged across each 2-year cycle window. Example: GDP for the '2004 cycle' = average of all quarterly values in 2003–2004.

3

Leading Indicators

For each variable, we also tested the prior cycle's value. Does the economy entering a cycle predict fundraising during that cycle?

4

Correlation Analysis

Pearson correlation coefficient (r) measures linear association between each variable and total PAC receipts. Raw r and detrended r both computed.

5

Detrending

Critical: GDP, PCE, and PAC receipts all grow over time. We removed the shared time trend from both series to isolate true economic signal from coincidental growth.

How to Read the Results: Correlation Explained

What r means and why detrending matters

Pearson's r: The Correlation Coefficient

+0.90 to +1.0	Very Strong Positive
+0.70 to +0.89	Strong Positive
+0.40 to +0.69	Moderate Positive
-0.39 to +0.39	Weak / No Signal
-0.40 to -0.69	Moderate Negative
-0.70 to -1.0	Strong Negative

*** $p < 0.01$ ** $p < 0.05$ * $p < 0.10$

Why Detrending Changes Everything

The Problem:

Both GDP and PAC receipts have grown for 30 years. Any two upward-trending series will show a high positive correlation – even if they have nothing to do with each other.

The Solution:

We subtract the long-run trend from both series. This asks: when GDP grows FASTER or SLOWER than its historical trend, does PAC fundraising also grow faster or slower?

Analysis & Results

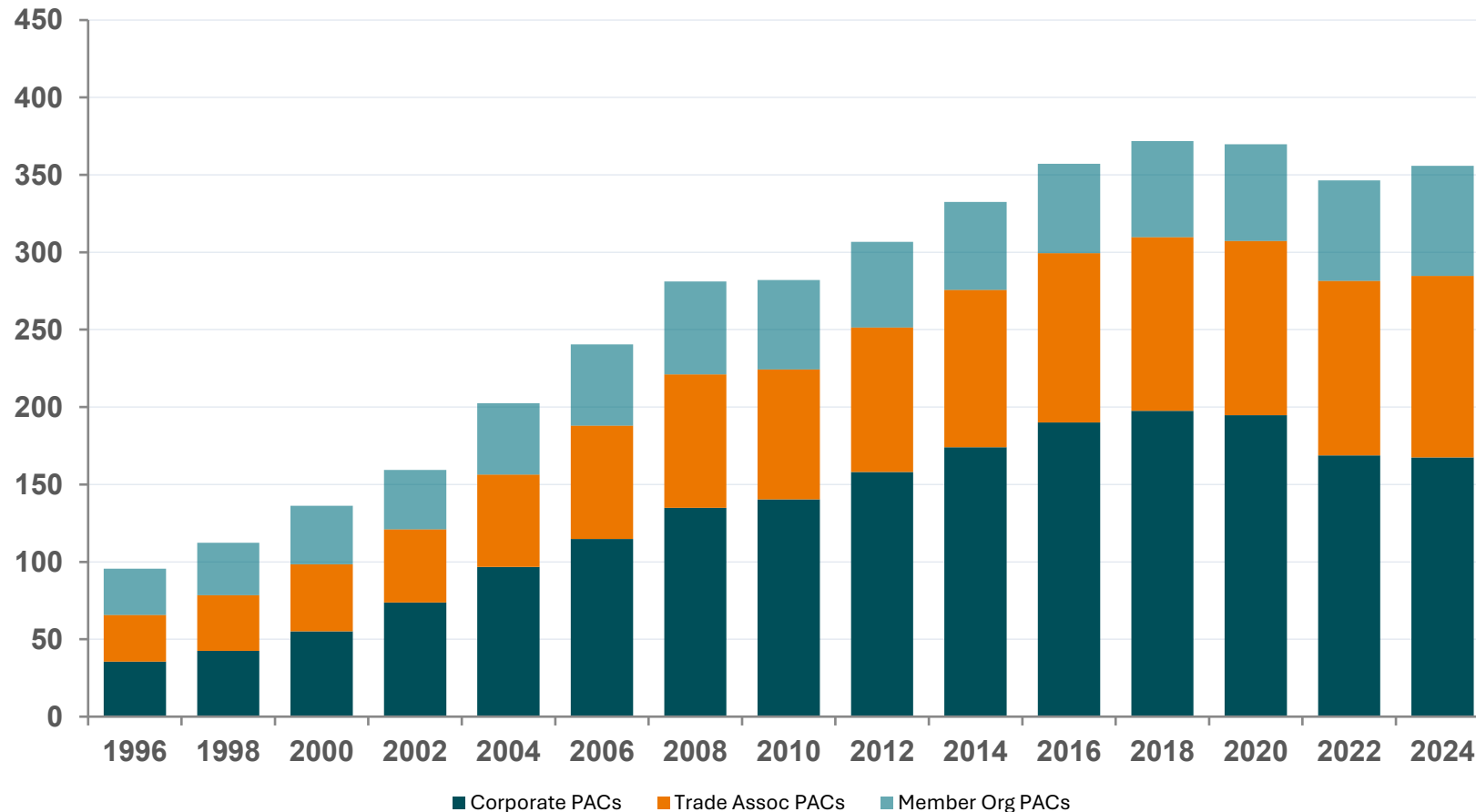
04



Variable by variable – what the data actually shows.

How to Read the Results: Correlation Explained

Total receipts across all three business PAC types, 1996-2024 Election Cycles (millions of dollars)



+272%

Total growth
1996-2024

\$356M

Total raised
2024 cycle

+19.7%

Avg growth
1996-2008

+3.1%

Avg growth
2010-2024

-6.3%

2022 - only
decline

GDP & Consumer Spending: Strong Signal – but Counterintuitive

Raw correlation is strong. Detrended correlation tells a very different story.

RAW Correlation

$r = +0.88$

GDP vs. Total
Business PAC (raw)

$r = +0.90$

PCE (prior) vs.
Total PAC (raw)

*Looks like a very strong relationship.
Both GDP and PAC receipts grow over 30 years – so correlation is high.*



BUT: both series have strong upward time trends. The correlation may be spurious.

DETRENDED Correlation – The Real Signal

$r = -0.84$

GDP vs. Total
PAC (detrended)

$r = -0.81$

PCE vs. Total
PAC (detrended)

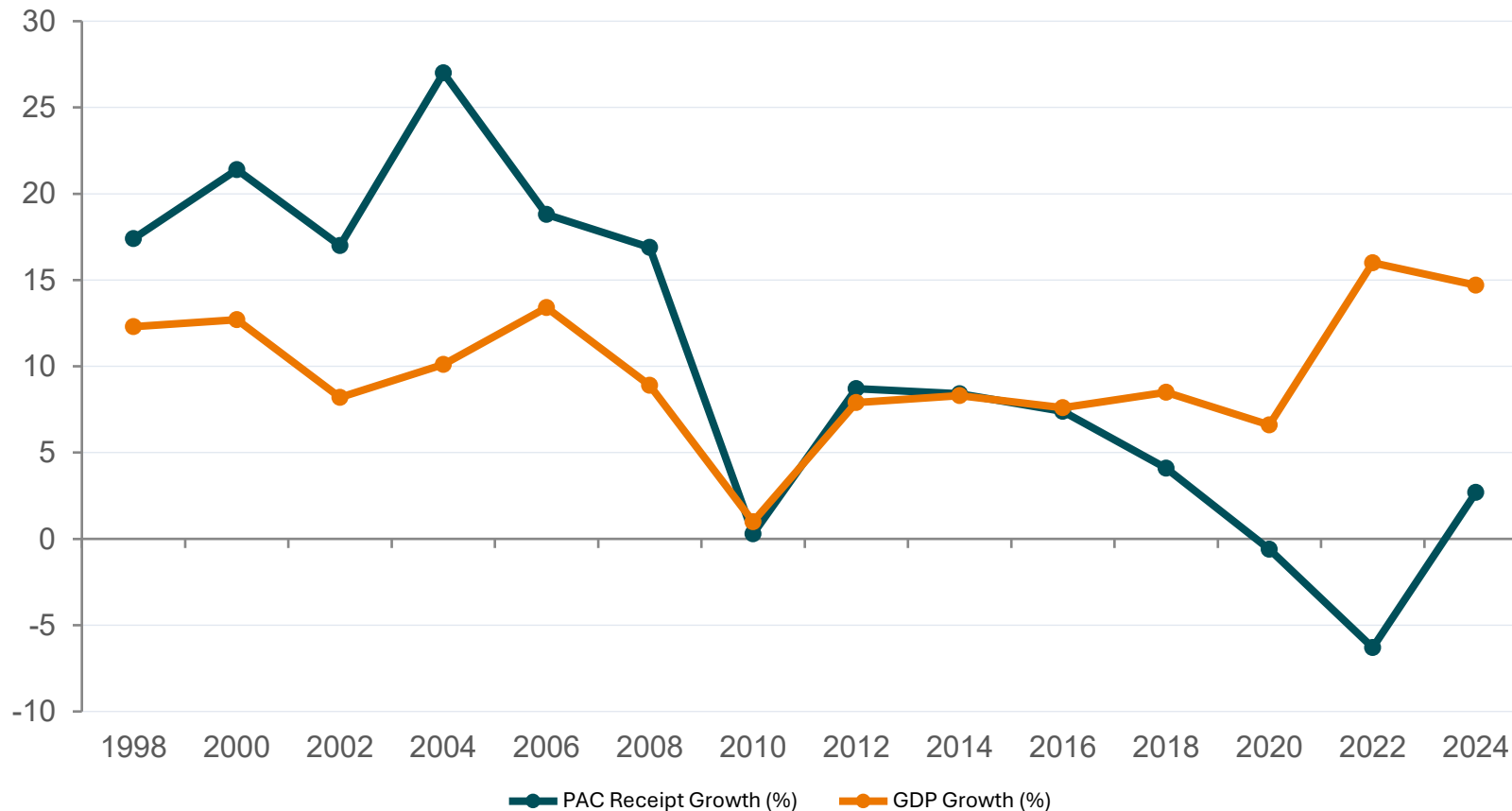
The sign FLIPS.

When GDP grows faster than its long-run trend, PAC fundraising tends to grow SLOWER than its trend.

Economic uncertainty and underperformance drive PAC engagement more than prosperity.

GDP & Consumer Spending: Strong Signal – but Counterintuitive

When the economy booms, PAC growth often cools – and vice versa



2004	GDP +10.1% PAC +27.0% Political environment highly active
2010	GDP +1.0% PAC +0.3% Both stalled post-crisis
2022	GDP +16.0% PAC -6.3% Starkest divergence in dataset

Inflation, Unemployment & Stock Markets: No Direct Effect

Three variables intuition says should matter – but largely don't

Inflation Rate

Raw: $r = +0.02$

Detrended: $r = -0.52^{**}$

NO DIRECT EFFECT

Near-zero raw correlation. After detrending: moderate negative ($r = -0.52, p < 0.05$). The 2022 cycle is the clearest example – peak inflation (6.4%) coincided with the only PAC receipt decline.

→ *Inflation doesn't directly depress PAC giving. It may contribute to uncertainty that shifts political priorities.*

Unemployment Rate

Raw: $r = +0.10$

Detrended: $r = +0.46^*$

WEAK / MODERATE

Raw: essentially no relationship. Detrended: moderate positive. Elevated unemployment may modestly increase PAC engagement – businesses advocate harder when labor markets are distressed.

→ *High unemployment doesn't deter PAC giving. Economic stress may motivate political engagement by business.*

S&P 500 Returns

Raw: $r = -0.05$

Detrended: $r = -0.26$

NO SIGNAL

Essentially zero correlation at both raw and detrended levels. Stock market booms and busts have no meaningful relationship with business PAC fundraising.

→ *Corporate profitability proxied by equity returns does not drive PAC fundraising – PAC giving is not a function of how well companies are doing financially.*

Legislation & Balance of Power: The Political Variables

Does the policy environment or party control predict PAC fundraising?

Legislative Environment

$r = -0.54^{}$**

Deregulatory Bills
vs. Total PAC

$r = +0.08$

Expansion Bills
vs. Total PAC

Key Finding:

More deregulatory legislation is inversely associated with PAC growth ($p < 0.05$). This reflects TIMING: business PACs invest heavily in cycles BEFORE major deregulation is achieved, then moderate once the policy win is secured.

Expansionary legislation has no significant relationship – businesses may respond to regulatory threats by redirecting to lobbying or Super PACs rather than traditional PAC giving.

Business PACs are bipartisan access-seekers. Party control has no meaningful effect.

Balance of Power

Republican President $r = +0.06$

Democratic President $r = -0.06$

Unified Government $r = +0.03$

Divided Government $r = -0.03$

Rep. House Control $r = -0.36$

Rep. Senate Control $r = -0.31$

Dem. House Control $r = +0.36$

Dem. Senate Control $r = +0.31$

Complete Correlation Results: All Variables

Ranked by signal strength – what predicts business PAC fundraising

Variable	Raw r	Detrended r	Signal Strength	Predictive?
GDP Level	+0.88***	-0.84***	STRONG	Yes – but inverted
PCE Level	+0.88***	-0.81***	STRONG	Yes – but inverted
GDP (prior cycle)	+0.90***	-0.72***	STRONG	Yes – leading indicator
PCE (prior cycle)	+0.91***	-0.63**	STRONG	Best leading indicator
Inflation Rate	+0.02	-0.52**	MODERATE	Partially
Unemployment Rate	+0.10	+0.46*	MODERATE	Partially
Deregulatory Legislation	-0.54**	-0.21	MODERATE	Cyclical/timing effect
S&P 500 Returns	-0.05	-0.26	NONE	No
Expansion Legislation	+0.08	-0.30	NONE	No
Unified Government	+0.03	+0.01	NONE	No

The 2022 Anomaly: When Everything Converged

The only cycle in 30 years with declining business PAC receipts

2022 Cycle (Jan 2021–Dec 2022): Business PAC Receipts declined -6.3% – the only decline in the 30-year dataset

6.4%

Inflation
Highest in dataset

+16.0%

GDP Growth
Highest nominal
GDP growth

Unified D

Gov't Control
Biden + Dem Congress

6 Bills

Major Bills
CHIPS, IRA, and more

-6.3%

PAC Result
First ever decline

Three Leading Theories for the 2022 Decline:

Regulatory Headwinds

Six major expansion bills passed. Business may have redirected spending to Super PACs or lobbying rather than traditional PACs.

Dark Money Competition

Citizens United (2010) created Super PACs that compete for donor dollars – crowding out traditional PAC contributions by 2022.

Structural Plateau / Saturation

Post-2018 PAC growth was already near zero. The 2022 decline may represent a permanent structural plateau, not an anomaly.

The Big Picture Findings



What the data tells us when you step back and see the full picture.

05

**Business
PACs raise
more when
the policy
stakes are
high — not
when the
economy
is strong.**

The Central Finding of PAConomics

What this means:

- Economic uncertainty drives PAC engagement – not prosperity
- Detrended GDP & PCE are strong predictors ($r = -0.83, -0.81$) at $p < 0.01$
- Party control and market returns have essentially zero predictive value
- Best leading indicator: prior-cycle PCE level

$r = -0.84$

GDP (detrended)
vs. Total PAC

$r = -0.81$

PCE (detrended)
vs. Total PAC

A Predictive Framework for Business PAC Fundraising

Three conditions that historically correlate with above-trend PAC growth

Based on the PAConomics analysis, business PAC fundraising tends to **OUTPERFORM** its trend when:

1

Economy Underperforms its Trend

GDP and PCE grow more slowly than their long-run average. Creates economic uncertainty, policy pressure, and elevated stakes – all of which motivate increased political engagement.

WATCH:

GDP quarterly growth vs. 10-year average

2

Policy Environment is Contested or Regulatory Stakes Are High

Active legislative calendar in tax, financial regulation, healthcare, energy, trade – particularly when direction is uncertain. Business mobilizes when outcomes are contested, not settled.

WATCH:

Congressional agenda, regulatory rulemaking pipeline

3

High PCE Baseline Entering the Cycle

Prior-cycle consumer spending levels are the best single leading indicator ($r = +0.91$ raw). High consumer spending suggests broad economic foundation supporting business PAC capacity?

WATCH:

PCE trajectory in the 18–24 months prior to a new cycle

Implications for Business PACs

06



What PAConomics means for PAC strategy, donor messaging, and planning.

What PAConomics Means for Business PAC Programs

Five strategic and operational implications

1

Reframe Donor Pitch Around Policy Stakes, Not Economic Conditions

The economy is NOT a reliable predictor of PAC fundraising. Lead with the policy calendar, not the income statement. “The legislative stakes have never been higher” motivates donors; “we had a great year” does not.

2

Anticipate Headwinds When the Economy is Strong and Policy is Stable

Paradoxically, boom times may be your hardest fundraising environments. Build capacity and pipeline during good times – before you need it.

3

Build a Bipartisan Program – Party Control Doesn't Matter

Data confirms that business PACs are access vehicles, not partisan tools. Build relationships based on committee assignments, incumbency, and policy influence – regardless of party.

4

Prepare for a Structural Plateau in Traditional PAC Growth

The 20% cycle-over-cycle growth era is gone. The post-2010 average is 3%. Super PACs and dark money now compete for donor dollars. Make a differentiated case for why connected PACs still matter.

5

Monitor the Three Indicators Before Each Cycle

Before each new cycle, assess: GDP trend vs. long-run average, PCE trajectory from the prior cycle, and the upcoming legislative agenda. Use these to calibrate goals with data-informed confidence.

How to Use This Information

07



Practical applications for PAC managers and GR professionals.

Practical Applications: Using PAConomics in Your Work

Three use cases for PAC managers and GR professionals



Goal-Setting & Budgeting

- Run the three-factor framework before each cycle to calibrate goals.
- All three indicators favorable? Set aggressive growth targets.
- Economy booming, agenda quiet? Be conservative – these are harder environments.
- Present data-informed goals to leadership rather than arbitrary % increases.



Donor Solicitation & Messaging

- Build messaging around policy stakes, not economic performance.
- Develop cycle-specific talking points tied to the legislative calendar.
- Tie participation to specific regulatory threats/opportunities.
- Trade associations: use PAConomics to benchmark vs. industry peers.



Benchmarking & Trend Analysis

- Contextualize your PAC's performance against macro conditions.
- Underperformed in a favorable cycle? Investigate your program specifically.
- Outperformed despite headwinds? Document and replicate what worked.
- Share PAConomics findings with board and leadership to set realistic expectations.

Applying PAConomics: The 2026 Cycle Outlook

Using the framework to assess the current environment

Illustrative application of the PAConomics framework as of early 2026. Economic and political conditions will continue to evolve.

Factor 1: Economic Trend

WATCH

2024 GDP growth remained solid. Early 2026 signals are mixed – tariff uncertainty, potential consumer spending slowdown. If GDP dips below long-run trend, PAConomics predicts above-trend PAC growth.

Monitor quarterly GDP vs. 10-yr avg (~4.0% nominal)

Factor 2: Prior-Cycle PCE Baseline

FAVORABLE

2024 cycle PCE averaged ~\$19.4T – highest in the dataset. This high baseline entering the 2026 cycle is historically a positive signal for PAC fundraising capacity.

PCE entering 2025–2026: ~\$19–21T – supports PAC growth

Factor 3: Legislative / Regulatory Environment

HIGHLY ACTIVE

Essentially zero correlation at both raw and detrended levels. Stock market booms and busts have no meaningful relationship with business PAC fundraising.






Tax, trade, energy, financial services all on agenda

PAConomics 2026 Assessment: Two of three factors favor above-trend PAC growth – but the economic outlook is the wildcard.






Limitations, Caveats & Future Research

What PAConomics doesn't tell us – and where to go from here

Limitations to Keep in Mind

-  **Small sample size (n=15)**
15 election cycles limit statistical power. Marginal findings are directional, not conclusive.
-  **Correlation vs. Causation**
We identify association, not mechanism. Understanding WHY requires deeper qualitative analysis.
-  **Citizens United structural break**
The 2010 ruling changed the landscape. Pre- and post-2010 may require separate models.
-  **Omitted variables**
Campaign finance law changes, industry composition shifts, and donor base evolution are not modeled.
-  **Aggregate analysis only**
Industry-level analysis would provide more granular and likely more accurate predictions.

Future Research Directions

-  **Industry-level analysis**
Run PAConomics separately for financial, energy, healthcare, and defense PACs.
-  **Pre/post Citizens United model**
Separate models for 1996-2008 and 2010-2024 to test for structural break.
-  **Super PAC integration**
Incorporate Super PAC and 501(c) spending for total business political investment picture.
-  **Predictive regression model**
Build a multiple regression model to generate cycle-specific PAC fundraising forecasts.
-  **PAC-level analysis**
Test whether individual PAC over/underperformance correlates with company-specific metrics.

What's Next for PAConomics

Building toward predictive indicators for the marketplace

PHASE 1 Industry-Level PAC Analysis	PHASE 2 Super PAC Data Integration	PHASE 3 Predictive Indicators for the Marketplace
<ul style="list-style-type: none"> ➤ Run PAConomics separately for financial services, energy, healthcare, technology, and other key sectors. ➤ Test whether industry-specific regulatory exposure produces different economic correlations than the aggregate. ➤ Give PAC managers sector-relevant benchmarks rather than economy-wide averages. 	<ul style="list-style-type: none"> ➤ Incorporate Super PAC and 501(c)(4) spending to measure total business political investment – not just connected PACs. ➤ Examine the crowding-out effect: does Super PAC growth directly suppress connected PAC fundraising over time? ➤ Test whether the same economic uncertainty drivers predict outside spending the same way they predict PAC activity. 	<ul style="list-style-type: none"> ➤ Combine industry-level findings and total political spending data into a multiple regression model. ➤ Generate cycle-specific forecast ranges PAC managers can use to set goals and present to leadership. ➤ Deliver a practical PAConomics outlook product for the government relations marketplace.

Questions & Discussion

Thank you

Key Takeaways

- Business PAC fundraising grew +272% over 30 years – but growth has dramatically slowed post-2010.
- GDP and PCE are strongest predictors – but the relationship INVERTS after detrending. Uncertainty drives PAC engagement more than prosperity.
- Inflation, stock returns, and party control have no meaningful predictive value.
- The best leading indicator is prior-cycle PCE – the economic baseline entering a new cycle.
- Deregulatory legislation shows a timing effect: business mobilizes BEFORE winning, then moderates.
- The 2022 decline may signal a structural shift – Super PACs and dark money are permanently reshaping traditional PAC dynamics.

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