

An Introduction to Political Action Committees (PAC)

What is a PAC?

- An organization created and used by trade associations, non-profits, political leaders, businesses or corporations to support candidates for public office who share the organizations interests and issues.
- PACs raise money through voluntary contributions from people connected to the parent organization or from anyone who supports the PAC's interests.
- Federal law states that all contributions must be personal – not corporate
- Federal law formally allows for three types of PACs:
 - Connected: established by (connected) businesses, labor unions, trade groups, or health organizations. Since a PAC allows an organization to become involved in activities ("electioneering") it would otherwise be unable to be involved in, there are no significant restrictions on the relationship between the parent organization and its PAC. In fact, the parent organization is permitted to use its general treasury funds to pay for the PACs operating and fundraising expenses.
 - Non-Connected: established by political leaders to advance party or personal political agendas.
 - "Super PACs" created as a result of a Supreme Court decision referred to as Citizen's United which allowed unlimited for unlimited spending on elections by corporations.
- The maximum contribution one PAC can make to a campaign is \$10,000 (\$5,000 for a primary race and \$5,000 for a general election)

What Are the Benefits of a PAC?

- PACs allow parent organizations to play offense – rewarding past behavior and/or encouraging candidates to be supportive in the future.
- A PAC can be used to build relationships with candidates during the election process, instead of only when they are in office.
- While PACs help elect candidates with likeminded positions, no PAC or groups of PACs can "buy" a candidate. In 2016, the average race for the US Senate cost \$1.76 million and the average House race cost \$466,000. One \$10,000 contribution is too small an amount.
- Increases the parent organization's visibility in Washington, DC beyond what regular public policy activities can achieve.

The Pros and Cons of Starting a PAC

PROs:

1. You Get to Set the Agenda and Scope – PACs can exist to support candidates of one ideology or many, locally or across the country. PACs can be issues-based or more open, party-centric or party-blind, making large contributions or small. In short, a PAC is what you make it.

2. You Can Get Lots of People Involved – PACs have the power to involve lots of people and become a real movement. They can have huge networks of leaders (but don't have to) and can have grassroots as well as fundraising components. Starting a PAC is a great way to increase the voice and influence of an organization.

3. PACs Give You a Place at the Table – Regardless of the size of a PAC (in donors or dollar value), leaders of PACs have clout. The only limiting factor is the number of candidates a PAC can donate to.

CONs:

1. Rules – PACs are as highly regulated as political campaigns. There is a lot of paperwork, records to keep, reports to file, and more.

2. It's Hard to Get Off the Ground – The political landscape is littered with hundreds of PACs that couldn't build traction or that were started but failed. Building a successful PAC is as hard as building a successful business.

3. Lots of Fundraising – Money is the lifeblood of a PAC. Giving (or refusing to give) money to candidates gets all the attention but, in order to be successful, the front end requires lots of fundraising. This requires strong commitments of money and support from a parent organization's leadership.

4. There are no guarantees – As with all areas of policy advocacy, the creation and operation of a PAC cannot guarantee a change in policy activities in Congress.

5. Unexpected Friendships – PACs normally support candidates based on limited, targeted criteria. A candidate with positions on other topics contrary to those of

PAC donors might be supported and candidates supportive of other issues might not be supported. For example, a candidate supportive of funding for the NIH but not supportive of climate change could receive support from a biomedical research PAC, depending on the PAC's "Candidate Contribution Criteria."

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