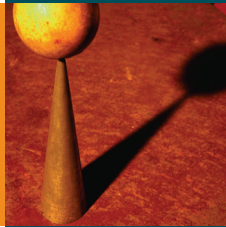


2004
TRENDS
in
**POLITICAL
ACTION**
Committees

SOLUTIONS



2004 TRENDS in POLITICAL ACTION Committees

FUNDRAISING

\$303,000

the average amount raised by Federal PACs

29%

of Federal PACs raise more than \$500,000 annually

30%

of federal organizations maintain State PACs. 66% manage fewer than ten State PACs

\$10,000

the average amount raised by State PACs

\$353

the average annual contribution to a Federal PAC from an individual member/employee

18%

the projected Federal PAC participation in 2004 among members/employees

“Great support of leadership and high annual receipts.”

PAC STRENGTHS

Connecting PAC donors with Congressmen and personally delivering checks from board members and activists.

PAC WEAKNESSES

Struggle to get the full level of board and leadership commitment, support and participation. Limited resources, such as money, staff and time for PAC operations.

“Increased PAC contributions lead to more exposure to members of Congress and increased awareness of our association.”

44%

believe the current amount their PAC raises and spends each election cycle is NOT enough to influence politics on behalf of the organization

\$567,500

per election cycle is the average amount believed needed to impact Congress

24%

is the average cost of Federal PAC operations for each dollar raised (including labor, overhead and direct expenses)

POLITICAL ACTIVITY

Rank of spending methods for Election-related activities

1. Direct Contributions
2. DC Fundraisers
3. In-kind Fundraisers
4. Partisan Communications
5. Independent Expenditures
6. In-kind Polling

60%

PAC money delivered directly to candidates and incumbents by Washington Representatives

5%

engage in in-kind polling activities

5%

took to the telephones for candidates and issues

47%

engage in in-kind fundraising activities

Rank of Issue Advocacy methods

1. Internet/Email
2. Grassroots/Field Work
3. Print Advertising
4. Radio Advertising
5. Direct Mail
6. Research
7. Television Advertising
8. Telemarketing

36% engage in issue advocacy activities.

Rank of Independent Expenditures

1. Direct Mail
2. Radio Advertising
3. Television Advertising
4. Research
5. Grassroots/Field work
6. Print Advertising
7. Internet/E-mail
8. Telemarketing

perform independent expenditures. **18%**

18%

implement partisan communications programs

Breakdown of Partisan Communications activities

- 99%** GOTV and Voter Registration
- 71%** Early Voting/Absentee Balloting
- 55%** Internet/E-mail and Grassroots
- 44%** Direct mail
- 22%** Research and Telemarketing

93%

of Federal PACs maintain a PAC Board or Committee. 68% are self-appointed or appointed by the organization's President/CEO

15

the average number of representatives on a PAC Board

97%

of Federal PACs policy decisions are made by PAC Boards. 3% indicate these decisions are made by the organization's President/CEO

GOVERNANCE

42%

provide fundraising training to PAC volunteers and staff

47%

provide legal training to PAC volunteers and staff

78%

organizations that maintain a policies and procedures guide for PAC operations. 50% have updated guides within the last year

80%

Federal PACs that use internal staff to manage FEC compliance and filings for the PAC

Rank of PAC operational duties according to performance

1. Decision-making for candidate contributions
2. Decision-making for political programming
3. Strategic Planning
4. Fundraising
5. Administering donor recognition
6. Developing and distributing PAC materials
7. Educating and training constituents

Issues facing PAC governance

1. Defining guidelines to determine which candidates should receive PAC funds
2. Meeting filing deadlines
3. Division of decision-making between federal and state organizations
4. State and federal compliance
5. Event participation
6. Equal representation throughout the organization
7. Resources to educate, motivate and activate members/employees

“We need to change the 'mindset' of our CEO to embrace a PAC and drive it forward within the organization...”

TECHNOLOGY

57%

Federal PACs using PAC management software

6

average number of staff having internal access to the organization's PAC management software

“Our biggest technical challenges are tying our PAC software to our membership database and getting quality marketing reports.”

82%

of software users pay an annual license fee for software

\$10,000 - \$50,000

cost for initial installation and set-up of PAC management software

52%

software users who receive regular training

Rank of functions of PAC management software (most- to least-used)

1. Tracking candidate/incumbent contributions
2. Preparing FEC reports
3. Maintaining contact records of contributors
4. Maintaining contact records of candidates and incumbents
5. Tracking contributor clubs
6. Preparing state election commission reports
7. Preparing marketing reports, mail, phone and e-mail files
8. Managing budgets
9. Tracking corporate expenditures

Rank of PAC management software performance (excellent to poor)

1. Creating and Filing FEC reports
2. Tracking PAC receipts
3. Tracking candidate contributions
4. Ease of data entry
5. Creating state election commission reports
6. Tracking contributor clubs and/or donor levels
7. Creating and managing budgets
8. Creating marketing reports of mail, phone and e-mail files

Rank of fundraising methods (most- to least-effective)

1. One-on-one solicitation
2. Dues billing/payroll deduction
3. Meetings and presentations
4. Special events
5. Gift programs
6. Direct mail
7. Drawings and ticket sales
8. Internet solicitations
9. Professional telemarketing
10. Volunteer phone banks
11. Charitable matching funds

Rank of recognition activities (most- to least-effective)

1. Thank-you letters
2. Special events
3. Publications
4. Gift programs
5. Pins and ribbons
6. Educational programming
7. Announcements at meetings
8. Donor clubs
9. Signage

Rank of communication methods (most- to least-effective)

1. E-mails
2. Newsletters
3. Meetings
4. Brochures
5. Direct mail
6. Educational programming
7. Dues billing/payroll deduction
8. Circulars and flyers
9. Advertising
10. Other

New political techniques implemented in 2004 by selected PACs

Get-Out-The-Vote
Election rallies
Voter registration
Poll workers
Internet activities
Partisan Communications

Political techniques identified for 2006 and beyond

Grassroots efforts
In-district and DC fundraisers
PAC-match programs
Absentee ballot programs
Voting records
Voter guides
Hand-delivering contributions
State-based independent expenditures

A study of 132 business political action committee professionals (48% corporate; 52% association) intended to provide America's leading corporations and associations 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 +/- 7.4%)

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