



Public Affairs
Council

Importance of Corporate PACs

PACs are the most popular and transparent form of campaign finance



A PAC is *power in numbers*



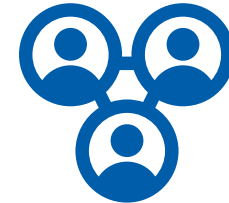
Legal means of political participation

Corporations and associations are prohibited from directly contributing to federal candidates – but they may operate a PAC.



PACs are strictly regulated

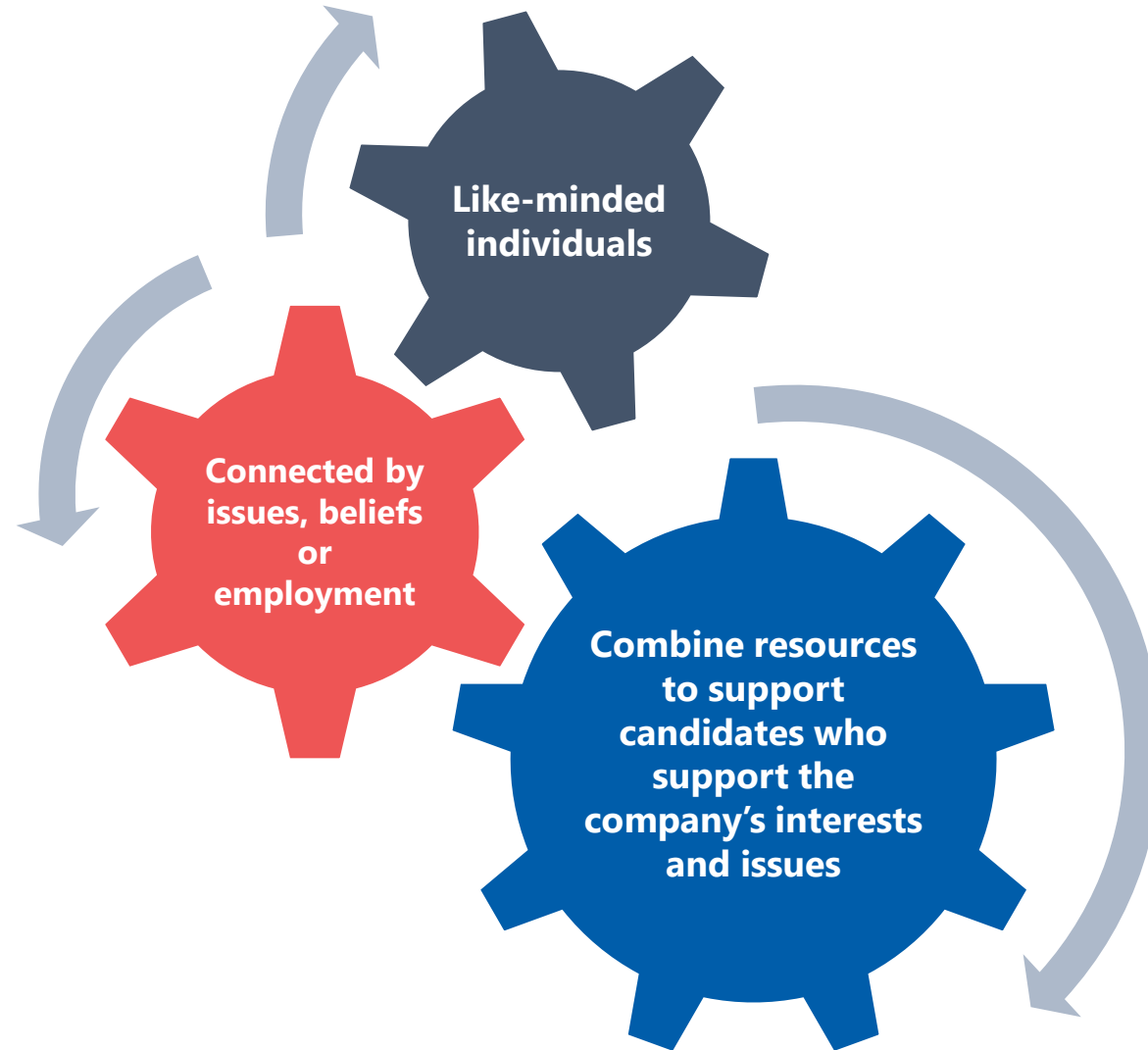
A PAC is regulated by the FEC and only allows for voluntary, individual contributions under stringent guidelines for participation.



PACs are legal, transparent and federally monitored

PACs allow businesses to express united interests with one powerful voice.

What is a PAC?



Debunking myths: super PACs vs. traditional PACs

A corporate PAC is not a super PAC

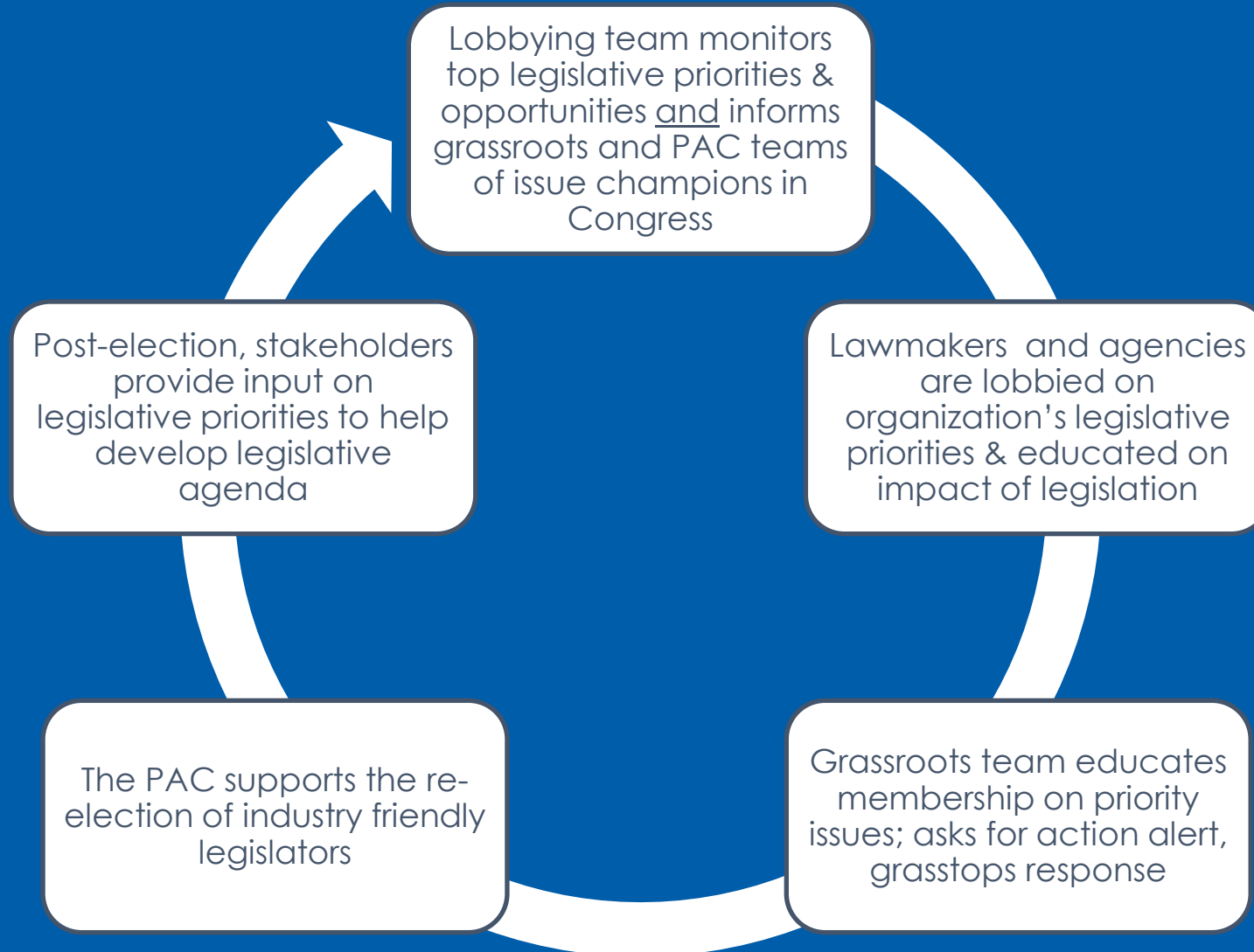
Super PACs:

- Individual and corporate money spent on uncoordinated ads and communications
- Money is not contributed directly to candidates

Traditional PACs:

- Other than individuals, traditional PACs are the only entities that can give to candidates
- Corporate PACs avoid Super PAC involvement. Only 4% contributed to Super PACs in the 2021-2022 election cycle according to the 2023 Corporate PAC Benchmarking Report

Where does the PAC fit?



Corporate PACs in 2023:

Fast Facts

2,875
connected PACs registered
with the FEC
(association, labor, cooperative or corporation)

56%
were corporate PACs



The diagram features a large red number '2,875' at the top left. Below it is the text 'connected PACs registered with the FEC' and '(association, labor, cooperative or corporation)'. A horizontal line extends from the right side of '2,875', then turns 90 degrees down, and then 90 degrees right to point at a large red '56%'. Below the '56%' is the text 'were corporate PACs'.

86%
of Fortune 100 companies
operate a PAC

Source: FEC.gov

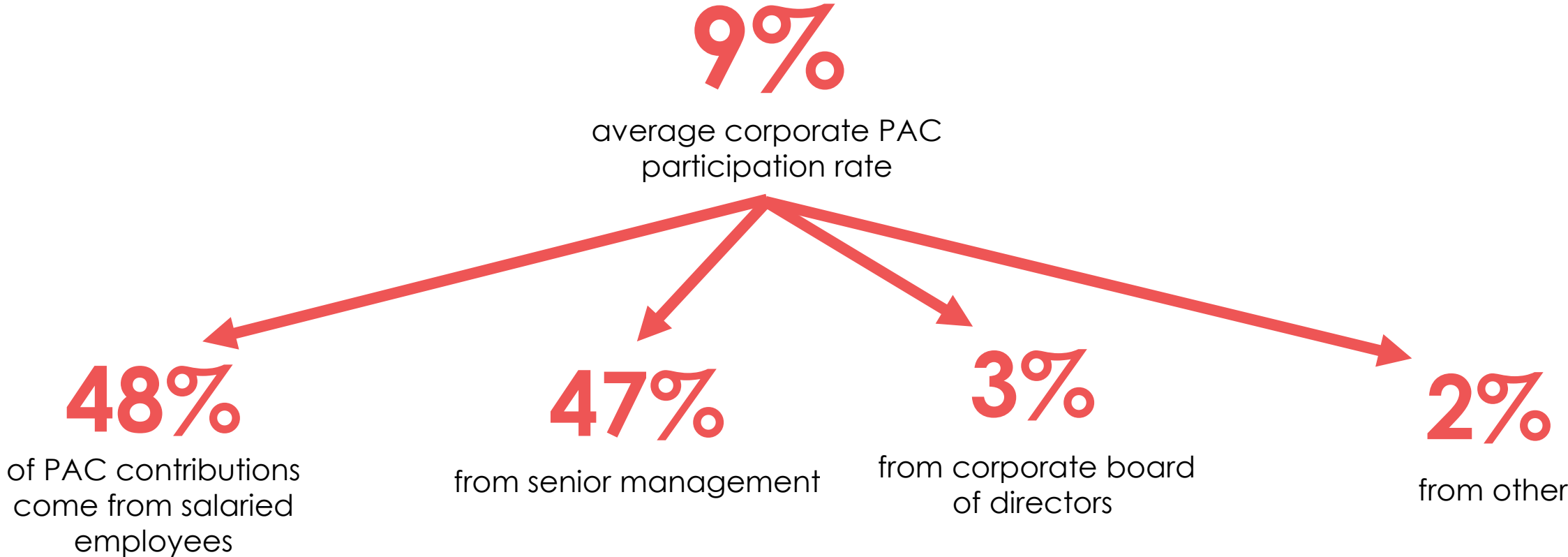
PACs are transparent and limited

Contribution limits for 2023-2024

| | | Recipient | | | | |
|-------|---------------------------------------|---------------------------------|-----------------------------|---------------------------------------|---------------------------|--|
| | | Candidate committee | PAC (SSF and nonconnected) | Party committee: state/district/local | Party committee: national | Additional national party committee accounts |
| Donor | Individual | \$3,300 per election | \$5,000 per year | \$10,000 per year (combined) | \$41,300 per year | \$123,900 per account, per year |
| | Candidate committee | \$2,000 per election | \$5,000 per year | Unlimited transfers | Unlimited transfers | |
| | PAC: multicandidate | \$5,000 per election | \$5,000 per year | \$5,000 per year (combined) | \$15,000 per year | \$45,000 per account, per year |
| | PAC: nonmulticandidate | \$3,300 per election | \$5,000 per year | \$10,000 per year (combined) | \$41,300 per year | \$123,900 per account, per year |
| | Party committee: State/district/local | \$5,000 per election (combined) | \$5,000 per year (combined) | Unlimited transfers | Unlimited transfers | |
| | Party committee: national | \$5,000 per election | \$5,000 per year | Unlimited transfers | Unlimited transfers | |

Source: FEC.gov <https://www.fec.gov/help-candidates-and-committees/taking-receipts-pac/contribution-limits-nonconnected-pacs/>

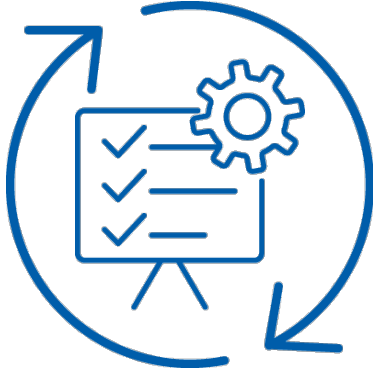
Corporate PACs are voluntary and give a voice to employees



Corporate PACs have strong governance structures



96% of PACs have formal contribution criteria



61% have a formal process for reevaluating criteria
(most common frequency is annually)



95% have a PAC board of directors

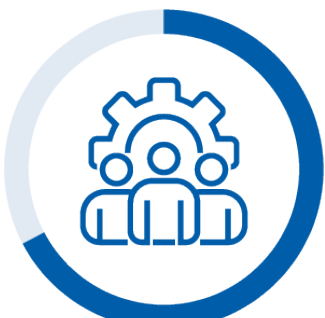
Corporate PACs are inclusive

86%



Government Affairs

67%



Business Unit Management

PAC board participation spans multiple departments

64%



Legal

61%



Finance

37%



Sales/Marketing

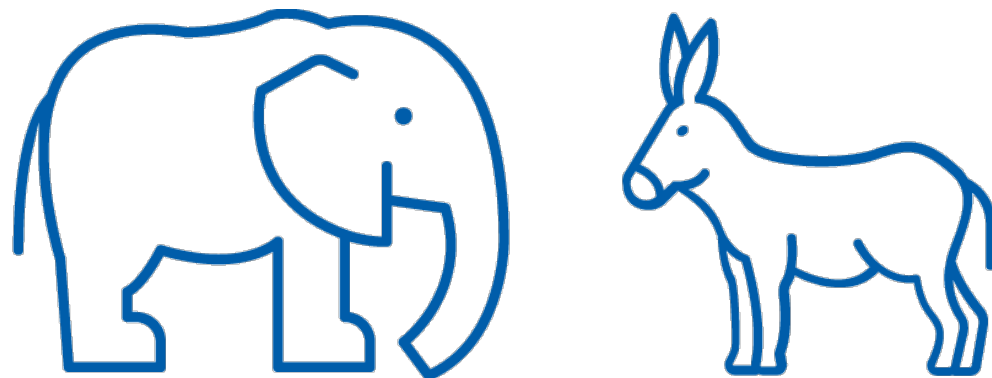
30%



Human Resources



PACs are bipartisan



On average, in the 2021-2022 election cycle,
corporate PACs contributed:

46% to Democrats

53% to Republicans

1% to Independents

Source: Public Affairs Council 2023 Corporate PAC Benchmarking Report

Business priorities drive support choices



Leadership and committee membership are key contribution factors

Eighty-four percent (84%) of PACs consider leadership position and membership on key legislative committees as factors in their contribution criteria.

Source: Public Affairs Council 2023 Corporate PAC Benchmarking Report

Leadership support matters

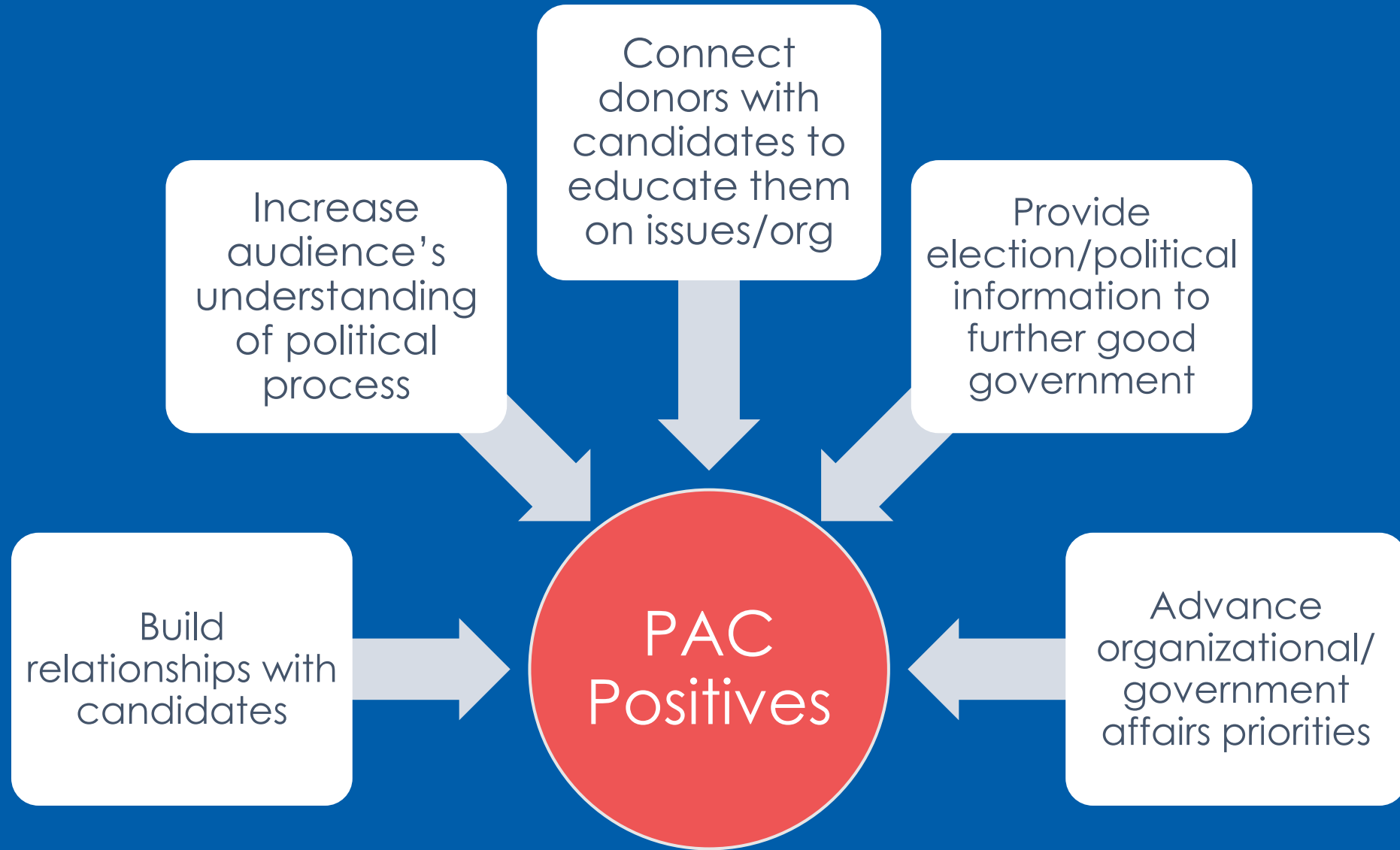
Median PAC size by CEO support

CEO does NOT formally endorse the PAC

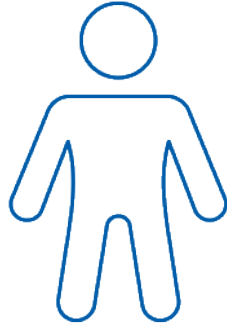
\$387,811

CEO formally endorses the PAC

\$530,000



PAC benefits



Individual

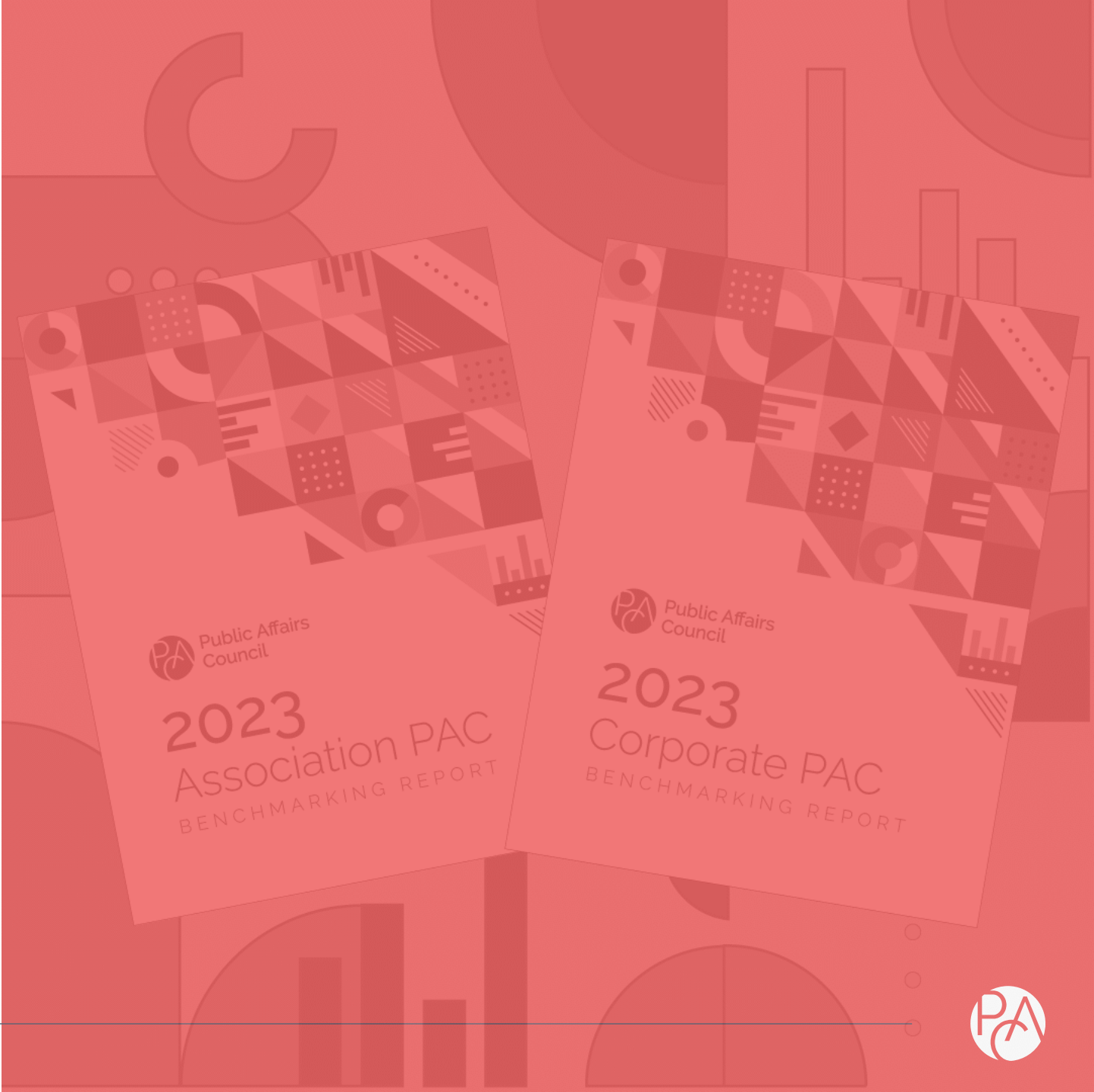
- Access to political process
- Information source
- Gifts/recognition
- Special events
- Political involvement
- PAC charitable match



Company

- Proactive measure
- Supplement government relations efforts
- Elect the right people
- Be a visible player
- Good government

**Purchase the full
report and access
additional Council
research at**
pac.org/research





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