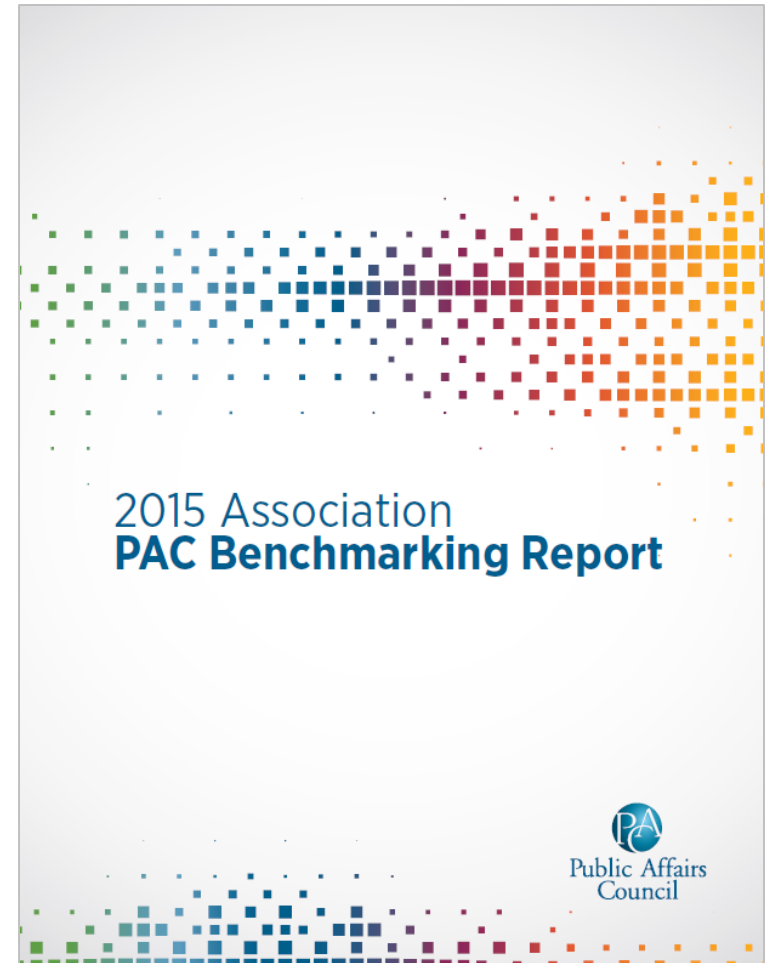


2015 Association PAC Benchmarking Report

Webinar for Survey Participants
September 9, 2015

Focus of the Survey

- Comprehensive benchmarking report covering trends and best practices in PACs, including:
 - Management and staffing
 - Governance
 - Executive engagement
 - Fundraising and recognition strategies
 - Participation and contribution rates
 - Disbursement strategies and political engagement
- 106 participating associations
- Conducted at the end of every election cycle



How to Use This Report

Benchmark your activities

- Staffing and operating budgets (median PAC size by budget)
- Leadership engagement by size of PAC (staff executive and member leader)
- Participation rates and contribution amounts by solicitation group
- Fundraising and recognition strategies that rank most effective
- Disbursement planning and execution

Benchmark trends

- Leadership engagement drives PAC growth
- Using peer-to-peer solicitors in fundraising plan
- Strategic use of vendors and consultants
- Revising your incentive structure and philosophy

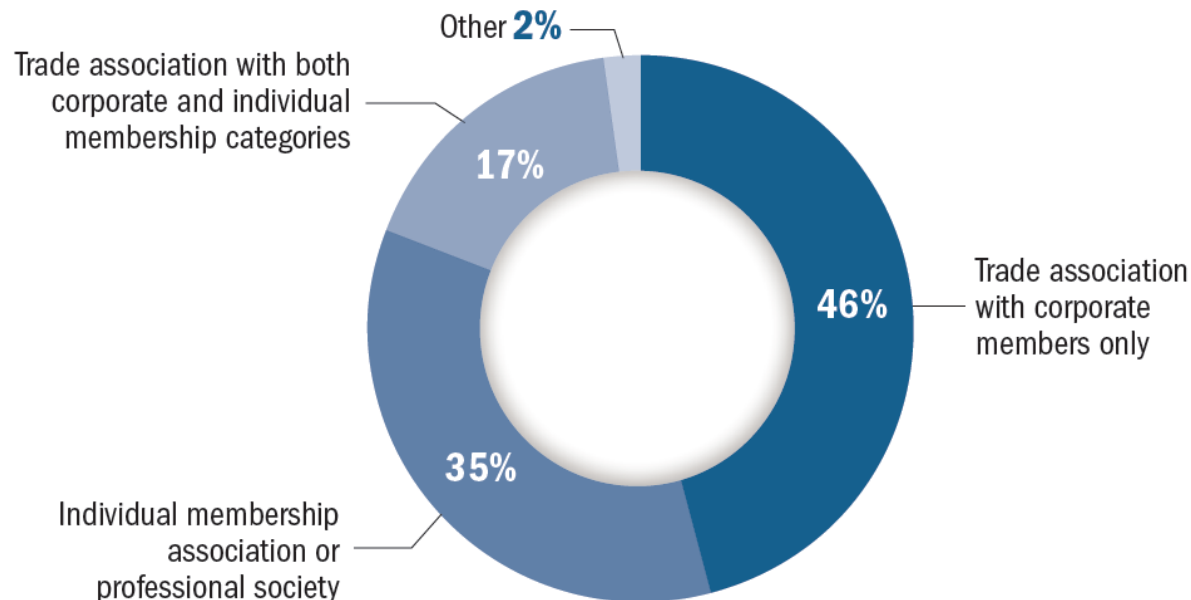
Conduct a comparative analysis (additional fee)

- Compare results with associations of your size, best-in-class, etc.
- For more information, contact Sheree Anne Kelly at skelly@pac.org

The Data Set: Association Type

Significant increase in responses (16%)

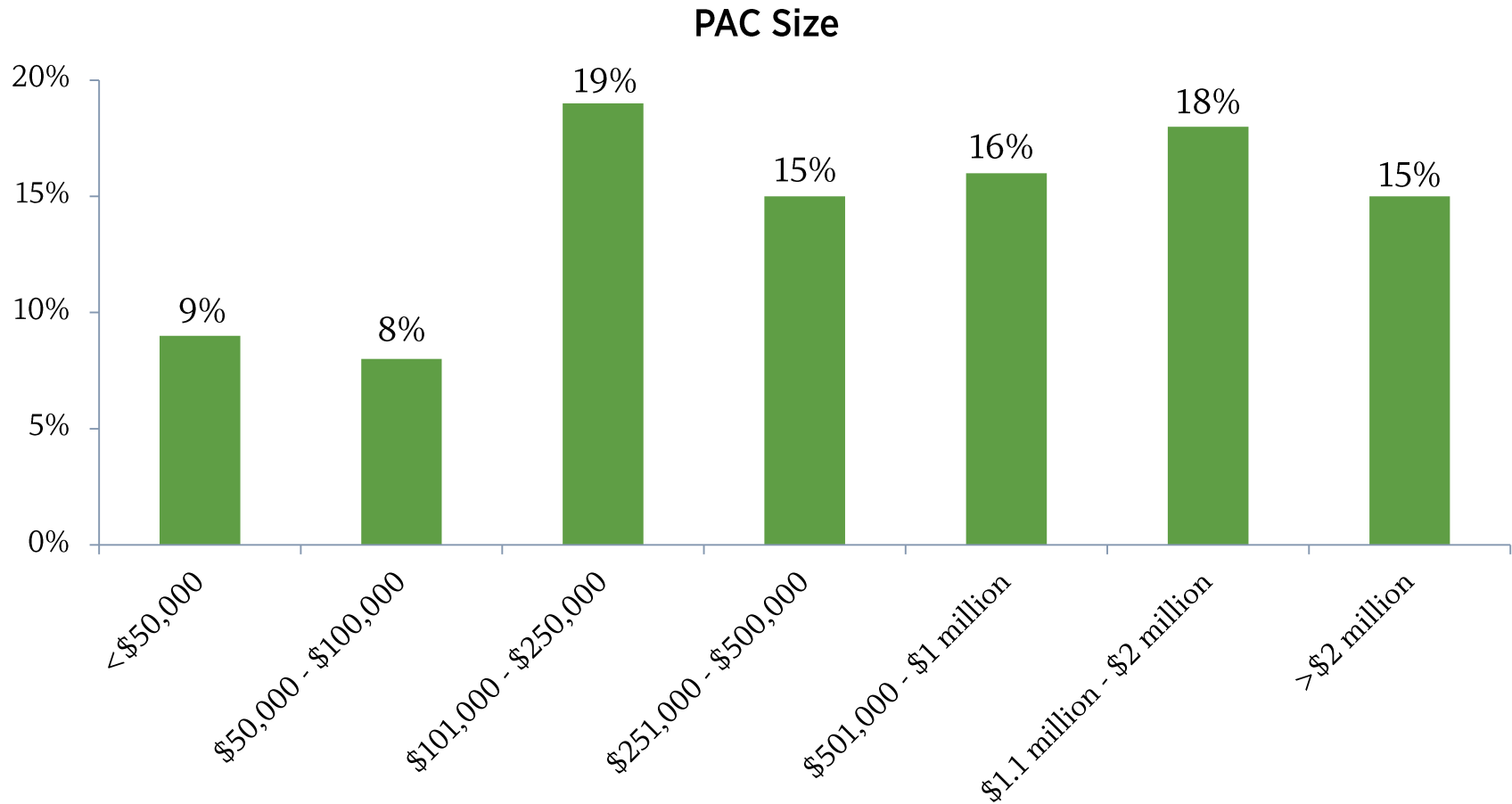
Responding Associations by Membership Structure



*Other Includes: corporate members plus affiliated state associations and not-for-profit members.

(n = 106)

The Data Set: PAC Size



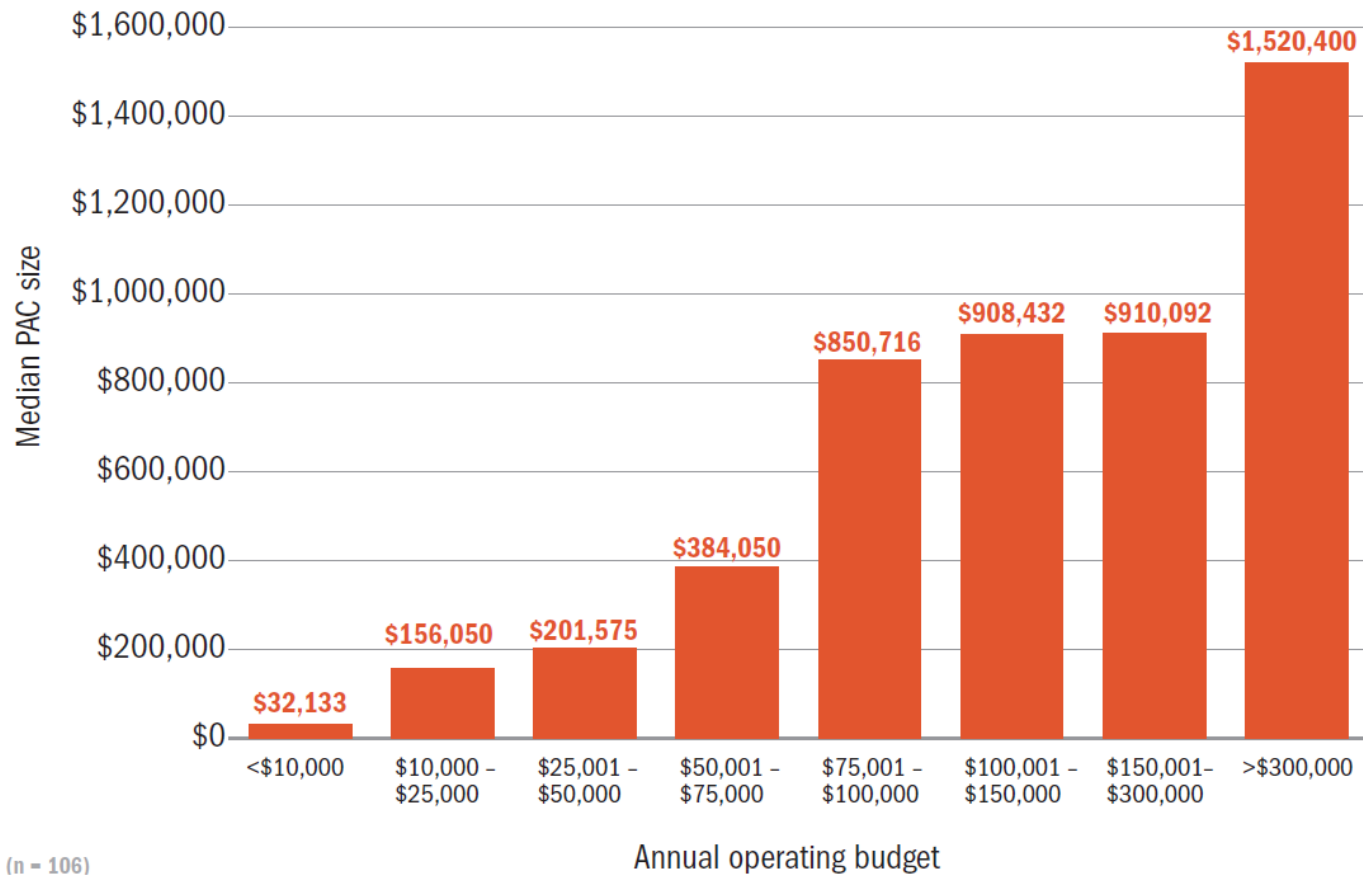
1. Setting the Scene

PACs Are Experiencing Growth

- The median association PAC grew by **5%** (in receipts) from the 2012 election cycle to the 2014 election cycle
 - No change in staffing (0.5 administrative staff and 1.0 professional staff)
 - Lots of outside responsibilities
 - Relatively little change in budgets

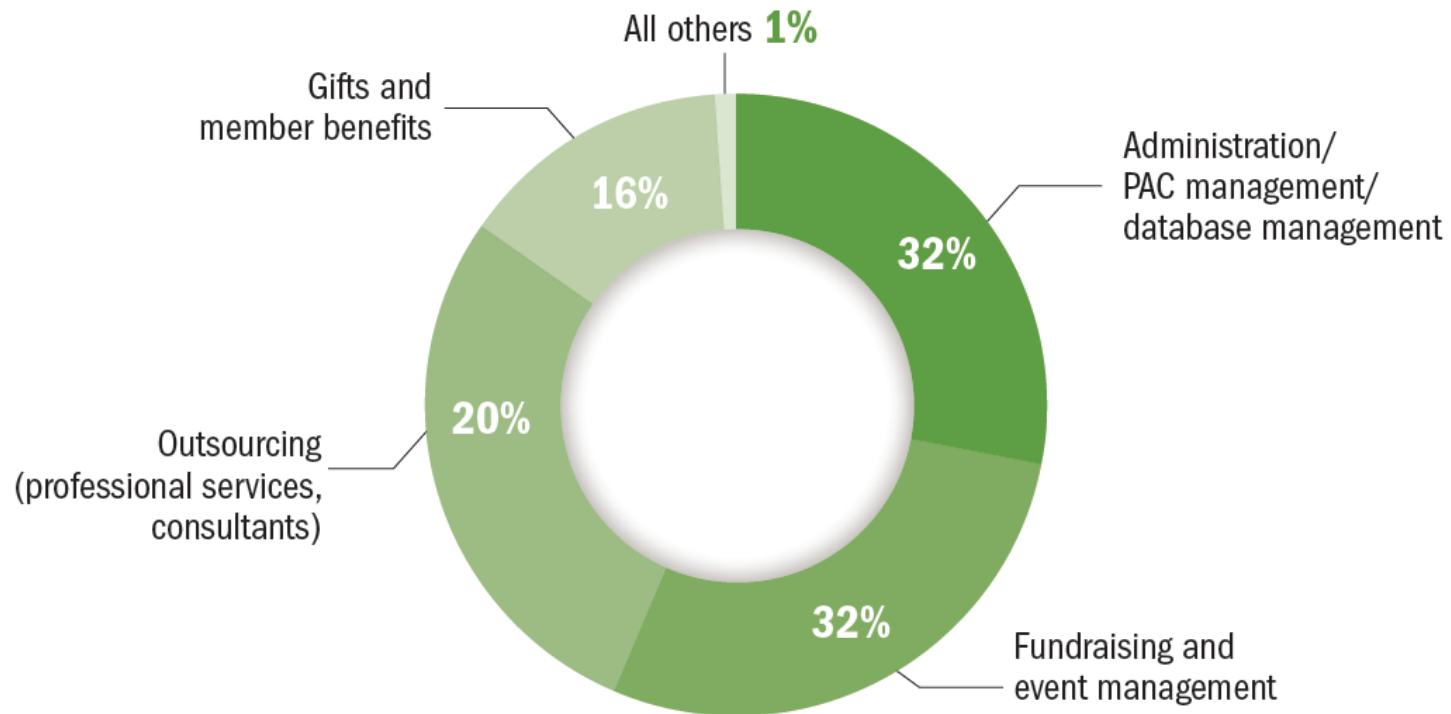
Budget Matters

Median PAC Size by Annual Operating Budget



Budget Matters

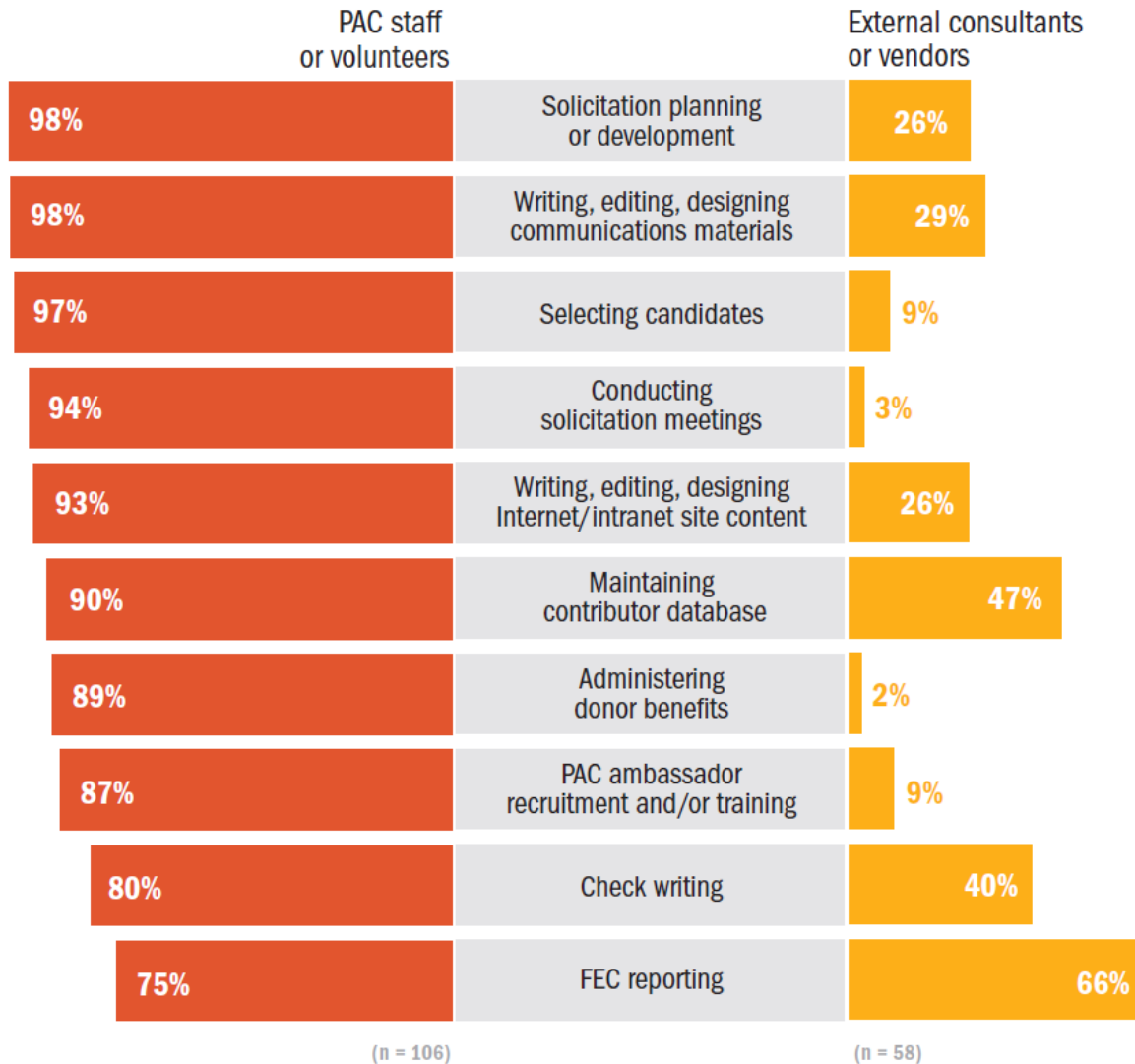
Annual Operating Budget Allocation



Due to rounding, responses do not add up to 100%.

(n = 99)

Who Does What?



2. Oversight and Engagement

Staff Leader Engagement Matters

Staff Executive Involvement by Size of PAC	Overall	<\$100,000	\$100,000-\$499,999	\$500,000-\$1M	>\$1 million
Attends PAC events	82%	65%	83%	88%	85%
Formally endorses the PAC	69%	53%	63%	65%	85%
Signs or sends solicitation letters and emails	55%	35%	51%	65%	65%
Makes presentation at or opens solicitation meetings	52%	35%	51%	53%	59%
Solicits the association's board of directors	49%	29%	51%	53%	53%
Contributes below the maximum amount allowed to the PAC	46%	59%	54%	47%	29%
Contributes the maximum amount allowed to the PAC	44%	6%	34%	47%	71%
Signs or sends thank-you letters	43%	41%	40%	53%	41%
Conducts solicitations	36%	35%	37%	29%	38%
Hosts PAC donor appreciation events	36%	12%	31%	41%	50%
Serves on the PAC board	31%	18%	23%	59%	32%
Issues communications on behalf of the PAC (e.g., PAC newsletter)	20%	18%	20%	6%	29%
Appears in a PAC video	14%	6%	9%	12%	24%
N/A – no involvement	6%	12%	11%	0%	0%
<i>n =</i>	103	17	35	17	34

Member Leader Engagement Matters More

Member Leader Involvement by Size of PAC	Overall	<\$100,000	\$100,000-\$499,999	\$500,000-\$1M	>\$1 million
Attends PAC events	82%	81%	79%	69%	91%
Formally endorses the PAC	77%	75%	76%	75%	79%
Signs or sends solicitation letters and emails	67%	44%	61%	81%	79%
Makes presentation at or opens solicitation meetings	64%	44%	64%	63%	76%
Serves on the PAC board	60%	38%	42%	81%	79%
Solicits the association's board of directors	60%	38%	64%	50%	73%
Conducts solicitations	56%	50%	58%	50%	61%
Contributes below the maximum amount allowed to the PAC	51%	50%	67%	50%	36%
Chairs the PAC board	48%	31%	27%	69%	67%
Contributes the maximum amount allowed to the PAC	46%	31%	24%	44%	76%
Signs or sends thank-you letters	42%	19%	30%	44%	64%
Issues communications on behalf of the PAC (e.g., PAC newsletter)	35%	25%	30%	19%	52%
Hosts PAC donor appreciation events	33%	6%	30%	25%	52%
Appears in a PAC video	24%	6%	15%	25%	39%
N/A – no involvement	3%	6%	6%	0%	0%
<i>n =</i>	98	16	33	16	33

Leadership Engagement

- Member leader involvement up in every category since 2013
- More than 60% of association PACs report that member leaders are involved in solicitation activities; more than 50% of staff executives are involved
- Top three solicitors:
 - CEO/staff executive
 - Member leader (e.g. board chair)
 - PAC board members

**Trend
alert!**

Top Leadership Activities

Leadership Involvement	Staff Executive	Member Leader
Attends PAC events	82%	82%
Formally endorses the PAC	69%	77%
Signs or sends solicitation letters and emails	55%	67%
Makes presentation at or opens solicitation meetings	52%	64%
Solicits the association's board of directors	49%	60%
Conducts solicitations	36%	56%
Serves on the PAC board	31%	60%
<i>n =</i>	103	98

Don't Forget the PAC Board

Ranked most effective solicitor:

Association
board of directors

participation rate

All other
members

94%

when PAC board
solicitors **are used**

20%

66%

when PAC board
solicitors **are not used**

15%

(n = 75)

(n = 66)

3. Fundraising and Solicitations

Fundraising Snapshot

- Median PAC solicits all eligible members
- Median participation rate among membership and staff is **19%**
- Median per person contribution is **\$377**

*7% of total election cycle receipts come from PACs (esp. for trade associations)

- Median amount of total contributions from PACs is \$30,500

Leadership Contributions Are Critical

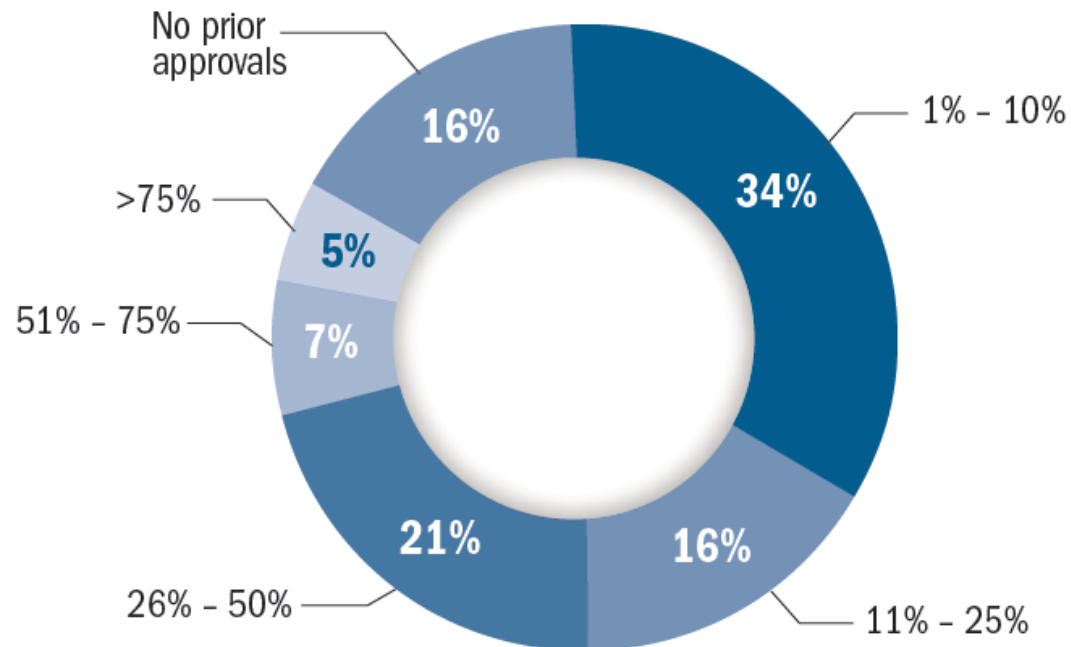
PAC Contributors by Major Segment, 2014

Contributor segment	Median participation rate	Median annual contribution amount
Board of directors	92%	\$1,078
Association senior management staff	80%	\$1,000
Association staff (non-senior management)	50%	\$306
All other members (non-board of directors)	20%	\$332

Prior Approval Concerns

61% of respondents have some corporate members

Percentage of Member Companies Granting Prior Approval



Due to rounding, responses do not add up to 100%.

(n = 56)

Fundraising Trends

- The majority of donors contribute once per year (76%)
- 13% of donors use payroll deduction
 - 41% are by credit card (one-time)
 - 35% are by check

Peer-to-Peer is King

- The use of peer-to-peer solicitors increased from 34% in 2013 to 44% in 2015
- One-third of associations rank them as among the three most effective solicitors
- When peer-to-peer meetings are used, participation rates increase:

PARTICIPATION RATES	Association board of directors	All other members
When peer-to-peer meetings are used	94%	21%
When peer-to-peer meetings are not used	78%	10%

Trend alert!

Recruiting & Training PAC Ambassadors

- PAC boards are key in helping identify PAC ambassadors from among the membership (43% do this)
- Staff are more involved in training (87%) than outside consultants or vendors (9%)

Top Solicitors

Top Solicitors	2015	2013
PAC board members	79%	68%
PAC manager	63%	78%
Association member leader (e.g., board chair)	61%	51%
CEO/staff executive	55%	50%
Government relations staff	55%	61%

Most effective:

- #1 PAC board members
- #2 CEO/staff executive
- #3 Association member leader/board chair
- #4 PAC manager
- #5 Peer solicitors (not on board)

Top Solicitation Approaches

Solicitation Approaches	2015	2013
Association's annual meeting or trade show	83%	85%
Online solicitations (e.g., email)	81%	91%
Peer-to-peer meetings	72%	57%
Events (e.g., fly-in)	64%	61%
Fundraising events (e.g., dinner, reception, auction)	57%	N/A

Most effective:

- #1 Annual meeting or trade show
- #2 Peer-to-peer meetings
- #3 Online solicitations

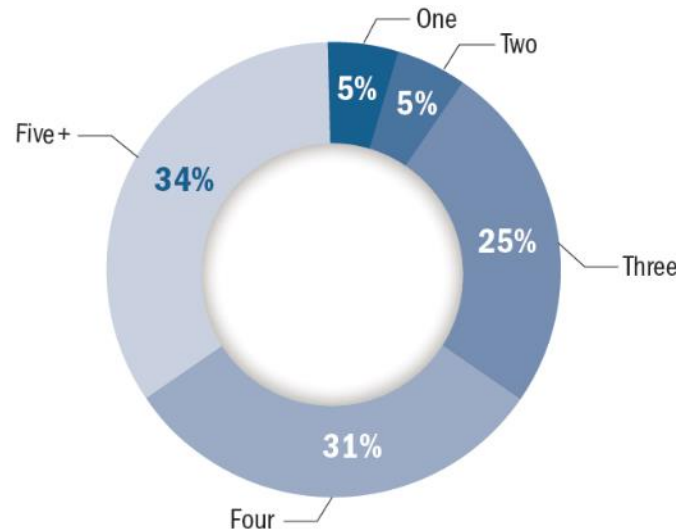
4. Incentives and Recognition

General Membership Benefits

Trends in General Membership Benefits	2015	2013
Special communications (e.g., newsletter)	61%	52%
Special name recognition	53%	48%
Lapel pin	42%	48%
Ability to deliver PAC checks to candidates	42%	N/A
Gifts	26%	28%
Raffles	24%	31%
Live events with politician, celebrity or guest speaker	22%	21%
Event with staff executive and/or board leadership	14%	0%
PAC match	12%	7%
Upgraded services or special events at association annual meeting/other events	8%	14%

Recognition Levels

- 66% of associations have incentive clubs
 - 90% of these have 3 or more levels
 - Over one-third have 5 or more levels



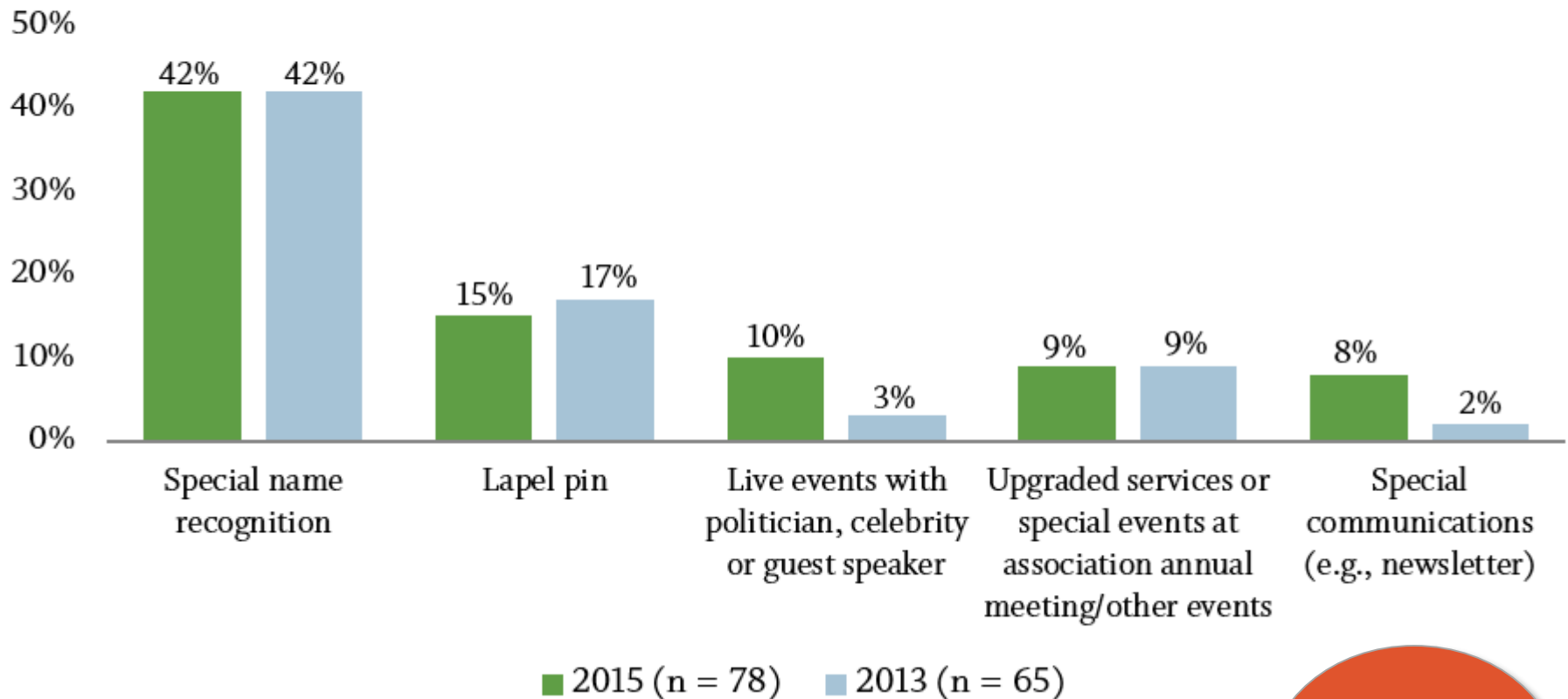
- Minimum contribution for *lowest* level is \$100
- Minimum contribution for *highest* level is \$2,500
 - Down from \$3,375 in 2013

Incentive Club Benefits

Trends in Incentive Club Benefits	2015	2013
Special name recognition	85%	88%
Lapel pin	76%	80%
Gifts	72%	82%
Special communications (e.g., newsletter)	55%	43%
Live events with politician, celebrity or guest speaker	53%	49%
Ability to deliver PAC checks to candidates	50%	N/A
Incentive-club-only events	50%	49%
Upgraded services or special events at association annual meeting/other events	48%	43%
Event with staff executive and/or board leadership	35%	16%
Raffles	22%	24%

Single Most Effective Benefit

Trends in Most Effective PAC Benefits



**Trend
alert!**

5. Political Engagement

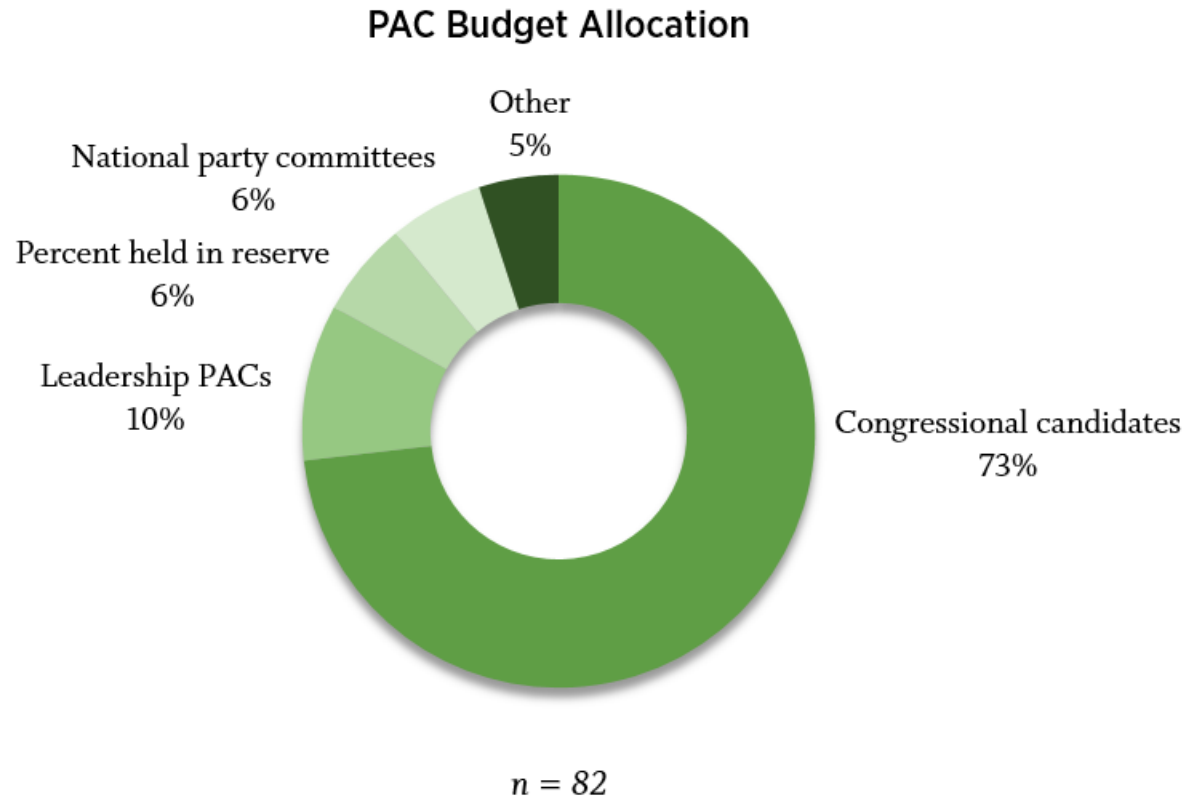
PACs Remain Key

- Only **5%** of associations report ever giving to a super PAC
- **20%** have a policy *prohibiting* contributions to super PACs
 - Up from 8% in 2013

Strategic Support of Candidates

Criteria for PAC Contributions	Percentage of Respondents
Voting record consistent with your organization's goals	76%
Membership on key legislative committees	72%
Candidate's political alignment with association membership	41%
Leadership position	41%
Organization has member company facilities or high concentration of membership in the candidate's district	17%
Recommendation of a PAC member	17%
Likelihood of being reelected	7%
Industry peers are supporting candidate/event	7%
Incumbent status	7%
Recommendation of a member company or association chapter	4%
Other	4%
Financial need	2%

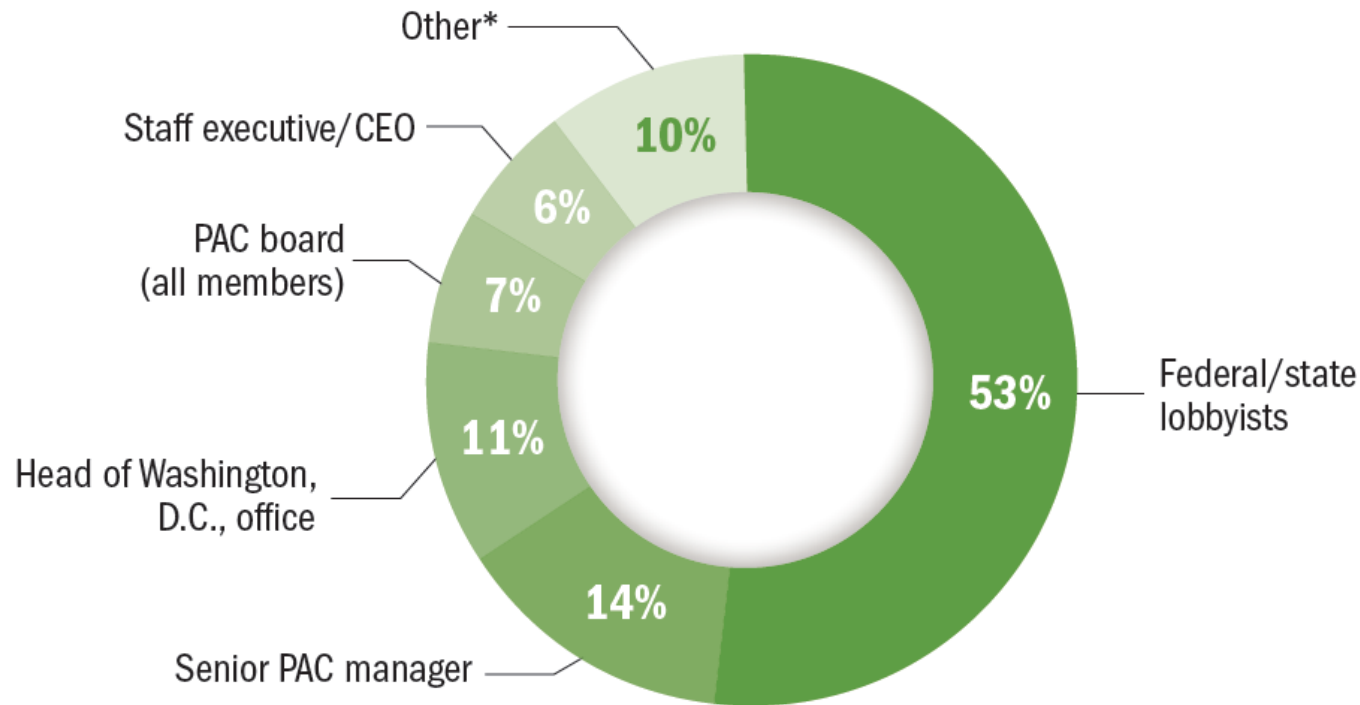
Where Does the Money Go?



“Other” includes: independent expenditures (3%), debt retirement (1%), state candidates (1%), presidential candidates (0.1%) and state party committees (0.1%).

Decision-Makers

Most Influential in Directing PAC Contributions



*Other Includes: affiliated state associations, association member leader/board chair, head of public affairs, members and state and local affiliate leadership.

Due to rounding, responses do not add up to 100%.

(n = 85)

Creating Connections With Members

- 57% of PACs deliver at least *some* of their contributions via members
 - 42% offer this as a benefit of contributing to the PAC
- 47% delivered some contributions during a small group meeting with the candidate in DC
- 84% of PACs hosted candidate fundraisers in 2014 election cycle
 - 15% hosted 50 or more
 - 38% of organizations delivered some contributions at event hosted by a member company

**Trend
alert!**

Major Conclusions

1. Association PAC managers must find efficiencies to keep their PAC growing. Investing in and nurturing a peer-to-peer program is a major way to do that.
2. Association PACs are getting more sophisticated in how and when they contribute to candidates to increase name recognition, create more touch points with candidates and have a greater impact.
3. The most successful association PACs have active leadership engagement and support – on both the staff and member sides.
4. Association members are looking for unique opportunities, access to information and name recognition above all else.

Comparative Analyses



Public Affairs Council

2013 PAC Benchmarking Analysis Custom Report

Custom Sample Composition

The data in this report are derived from the *2013 PAC Benchmarking Report* conducted by the Public Affairs Council. The data are grouped as follows:

- ▶ **Full sample** — these data are based on the full sample of 2013 PAC Benchmarking Survey respondents. Please refer to the full report for details on sample composition and research methodology.
- ▶ **Targeted subsample** — these data are based on responses provided by the following companies:

AT&T, Inc.
Cisco Systems, Inc.

Qualcomm, Inc.
Raytheon Co.

Compare your responses to associations of the same size, in your industry or those deemed “best-in-class.”

For More Information

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