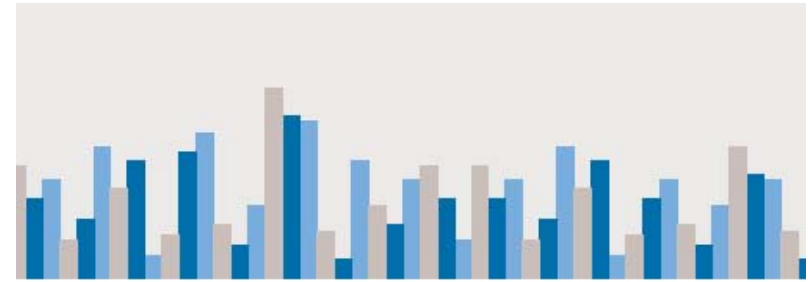


2017 Corporate PAC Benchmarking Report

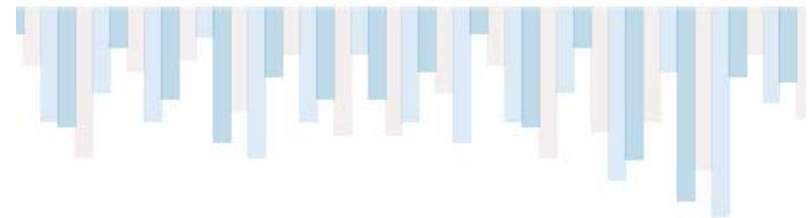
Webinar for Survey Participants
September 28, 2017

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
- 197 participating corporations
- Conducted at the end of every election cycle



2017 Corporate
PAC Benchmarking Report



How to Use This Report

Benchmark your activities

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

Benchmark trends

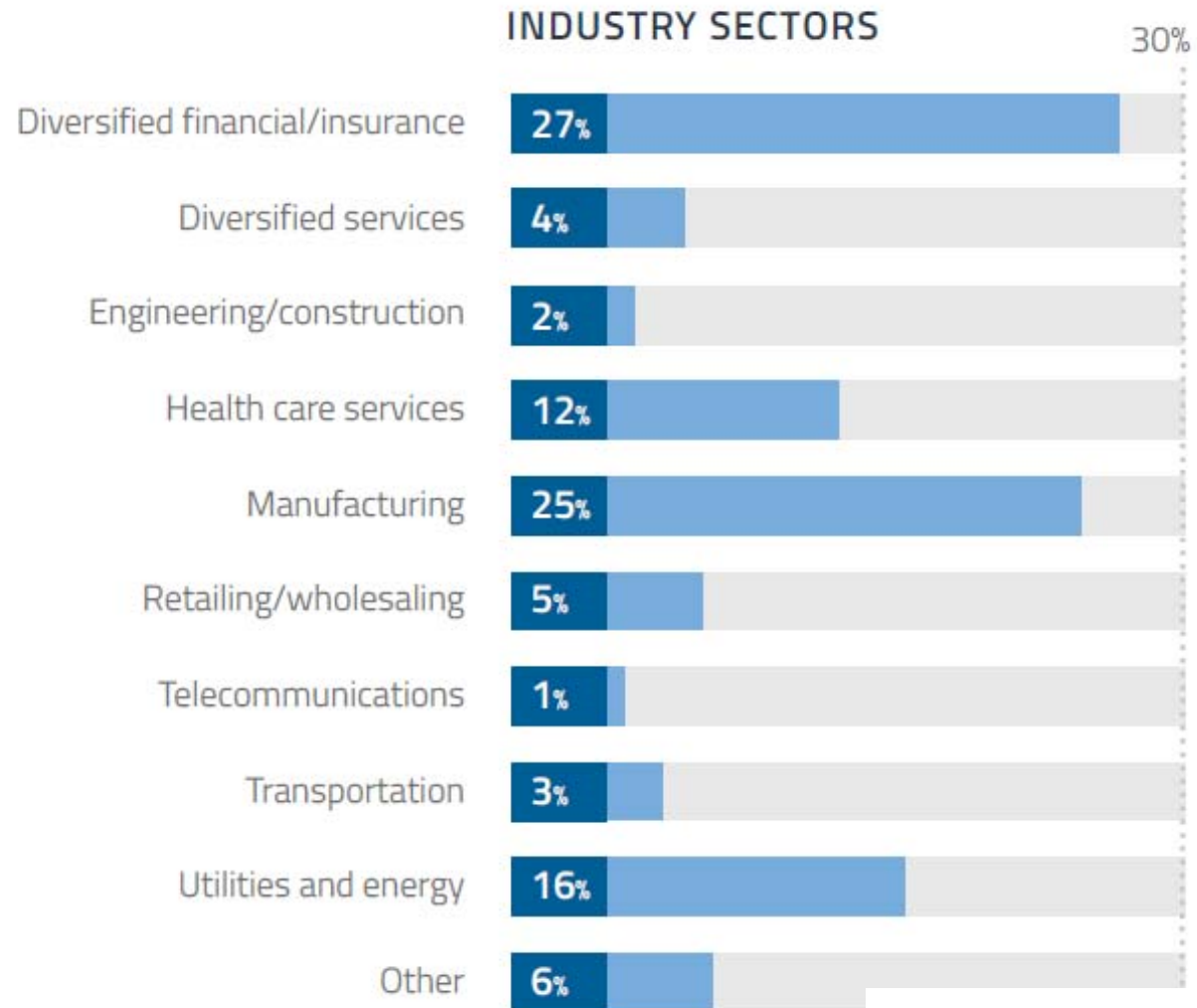
- Transparency is a priority
- Leadership engagement drives PAC growth
- Use of peer-to-peer solicitors in fundraising plan
- Strategic use of vendors and consultants
- Revising your incentive structure and philosophy

Conduct a comparative analysis (additional fee)

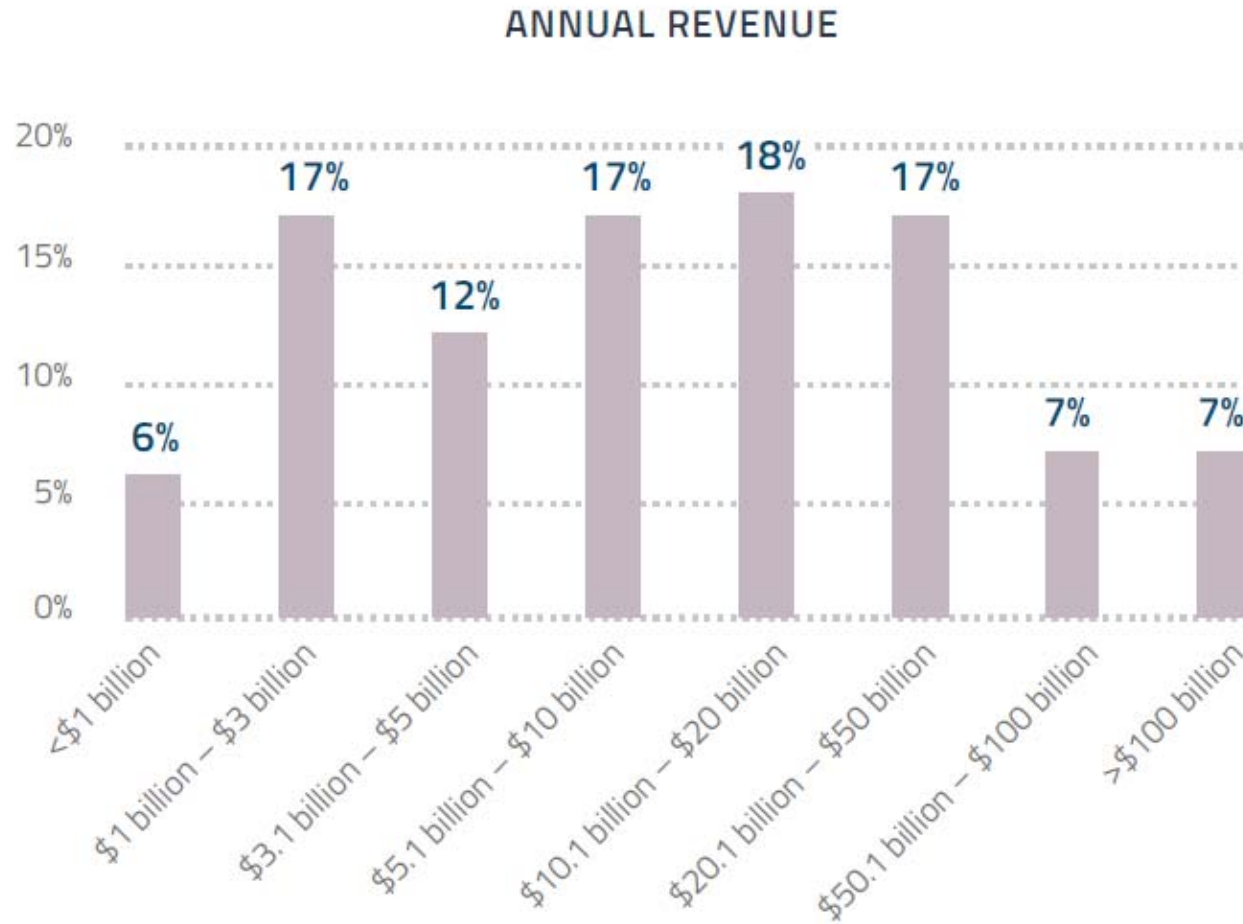
- Compare results with companies in industry, of similar size, best-in-class, etc.
- For more information, contact me at kbrackemyre@pac.org



The Data Set: Industry



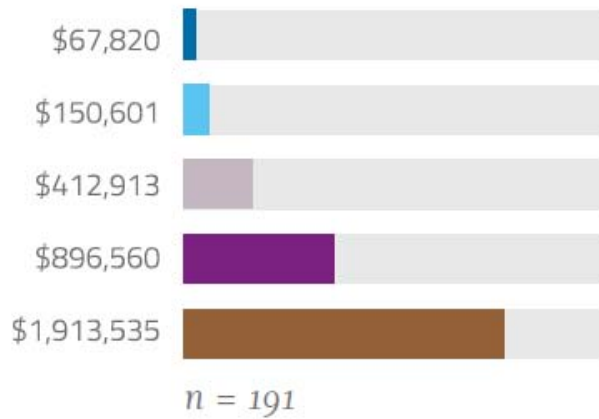
The Data Set: Company Annual Revenue



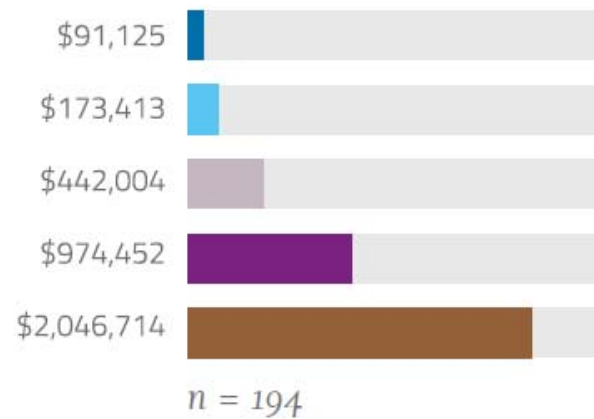
The Data Set: PAC Size

Percentiles: ● 10th ● 25th ● 50th (median) ● 75th ● 90th

FEC 2014
Median Numbers by Percentile
Size of responding PACs,
2014 (FEC-reported receipts)



FEC 2016
Median Numbers by Percentile
Size of responding PACs,
2016 (FEC-reported receipts)



1. Setting the Scene

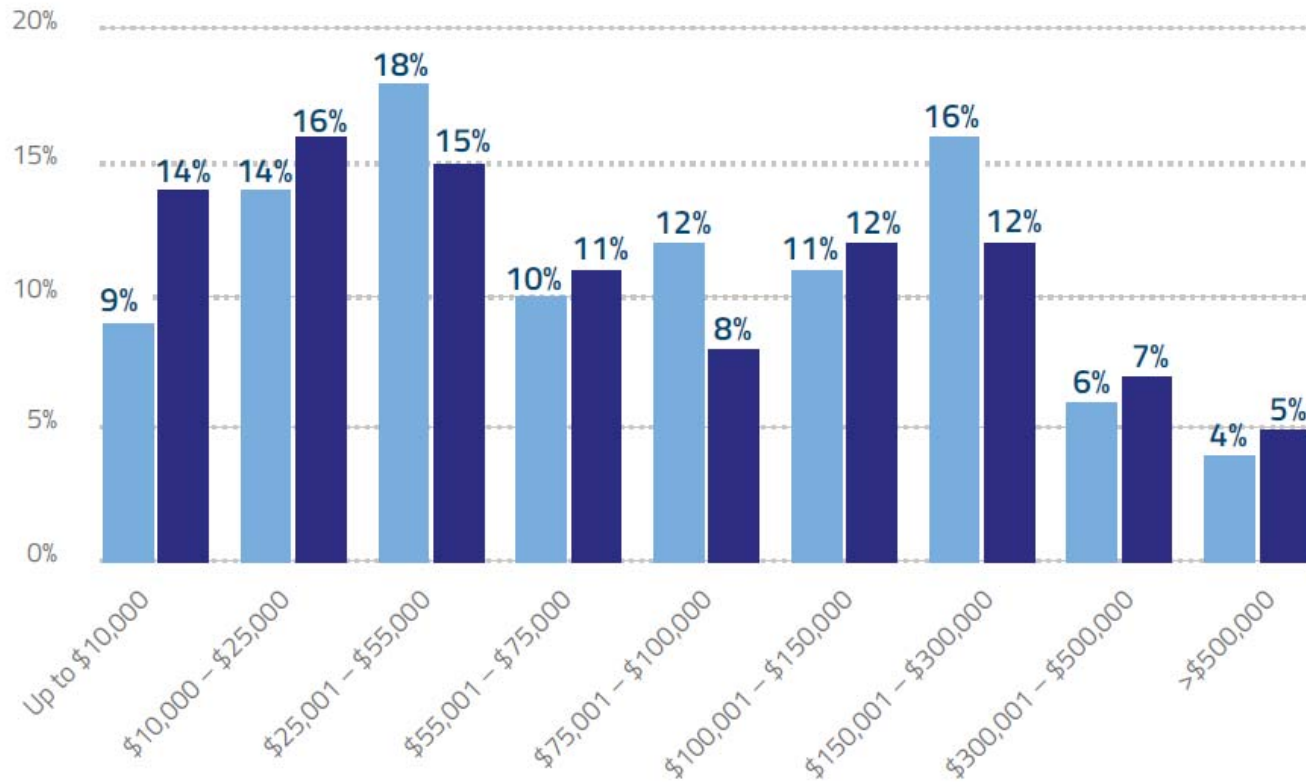
PACs Are Experiencing Growth

- The median corporate PAC grew by **7%** (in receipts) from the 2014 election cycle to the 2016 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

● 2017 (n = 194) ● 2015 (n = 245)

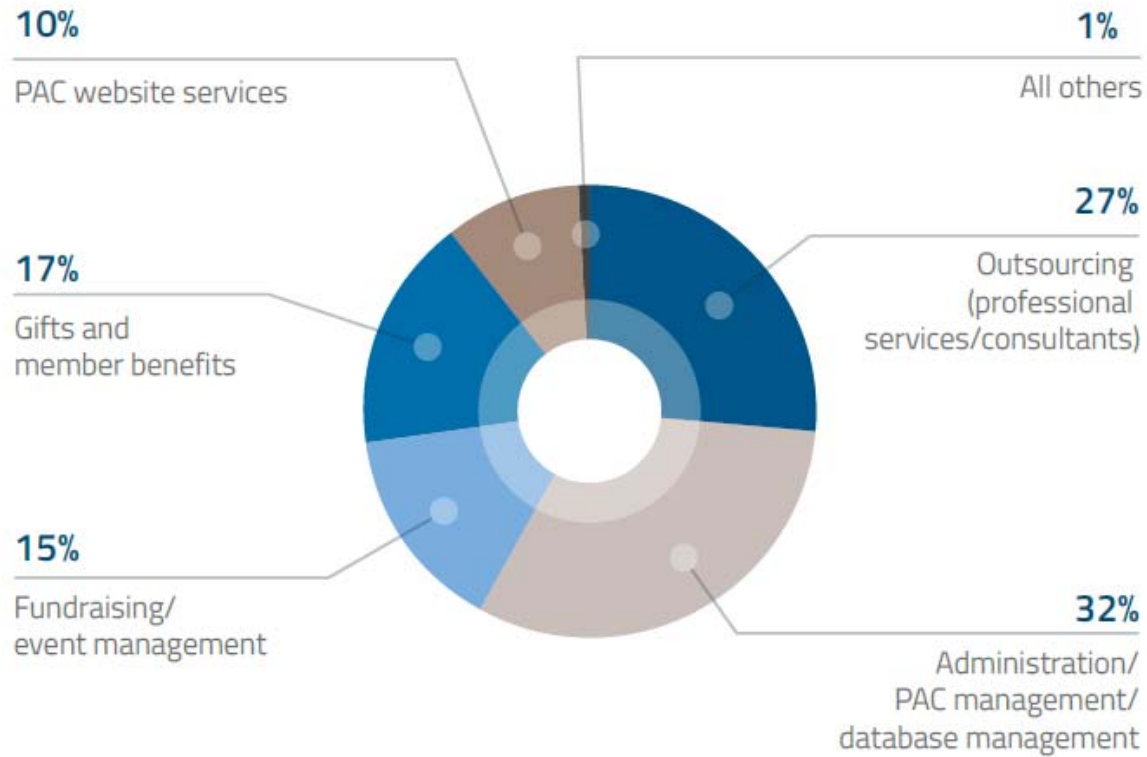
ANNUAL OPERATING BUDGET



Budget Matters

PAC BUDGET ALLOCATION

n = 181



Who Does What?

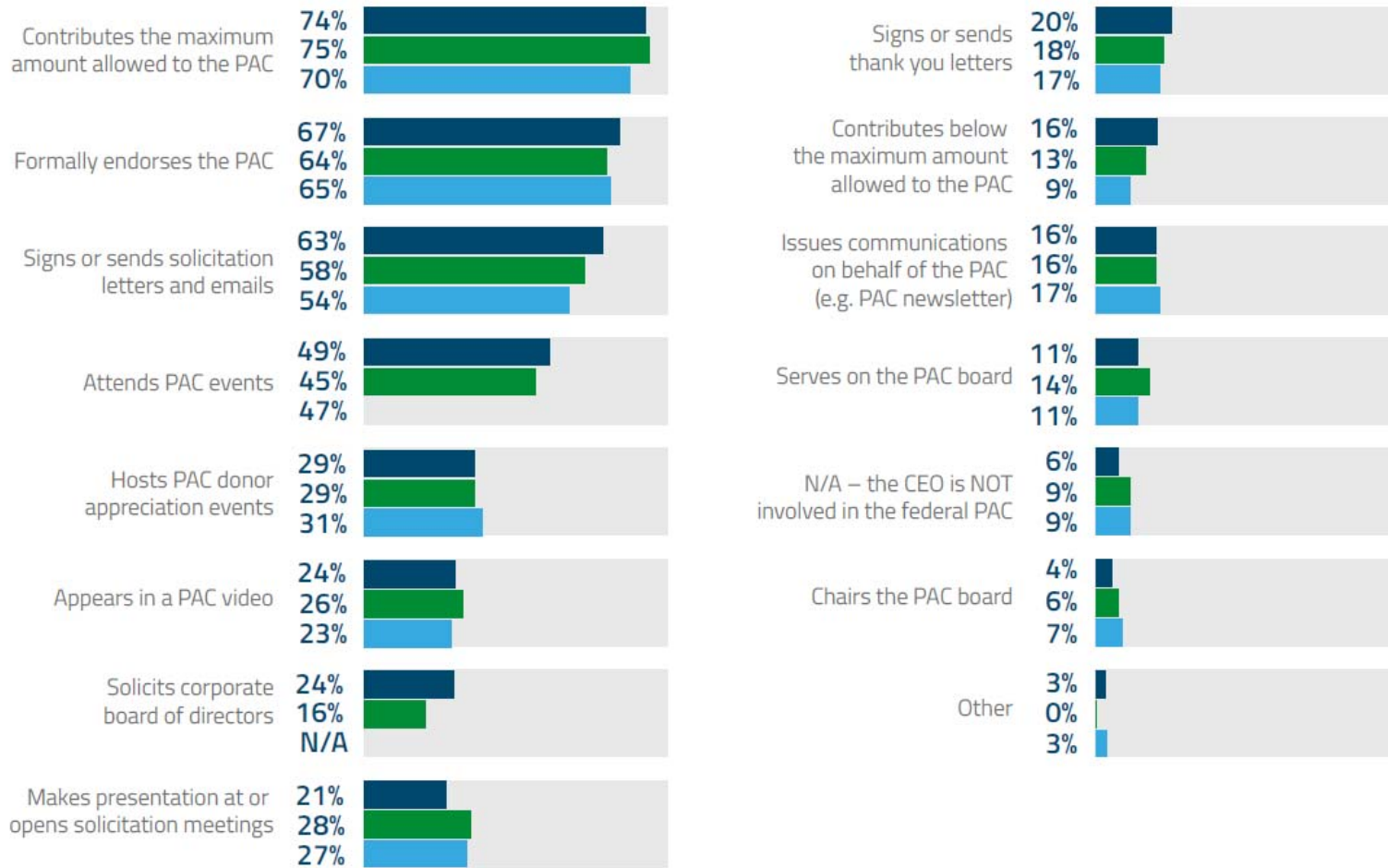
Trends in Activities Conducted by PAC staff or volunteers	2017	2015	2013
Solicitation planning or development	99%	96%	96%
Selecting candidates	97%	94%	96%
Writing or editing communications materials (newsletters, annual reports, etc.)	96%	96%	88%
Conducting solicitation meetings	94%	94%	92%
Writing or editing website/intranet content	90%	85%	86%
Designing PAC materials	84%	N/A	N/A
PAC ambassador recruitment and/or training	79%	82%	N/A
Administering donor benefits or incentives (e.g., PAC match)	77%	62%	73%
Trends in Activities Conducted by External Consultants/Vendors	2017	2015	2013
FEC reporting	81%	83%	79%
Maintaining contributor database	53%	55%	50%
Check writing	48%	49%	43%
Writing or editing communications materials (newsletters, annual reports, etc.)	19%	25%	22%
Writing or editing website/intranet content	19%	35%	28%
Administering donor benefits or incentives (e.g., PAC match)	16%	20%	17%
Solicitation planning or development	15%	10%	13%



2. Oversight and Engagement

CEO Engagement Matters

TRENDS IN CEO INVOLVEMENT

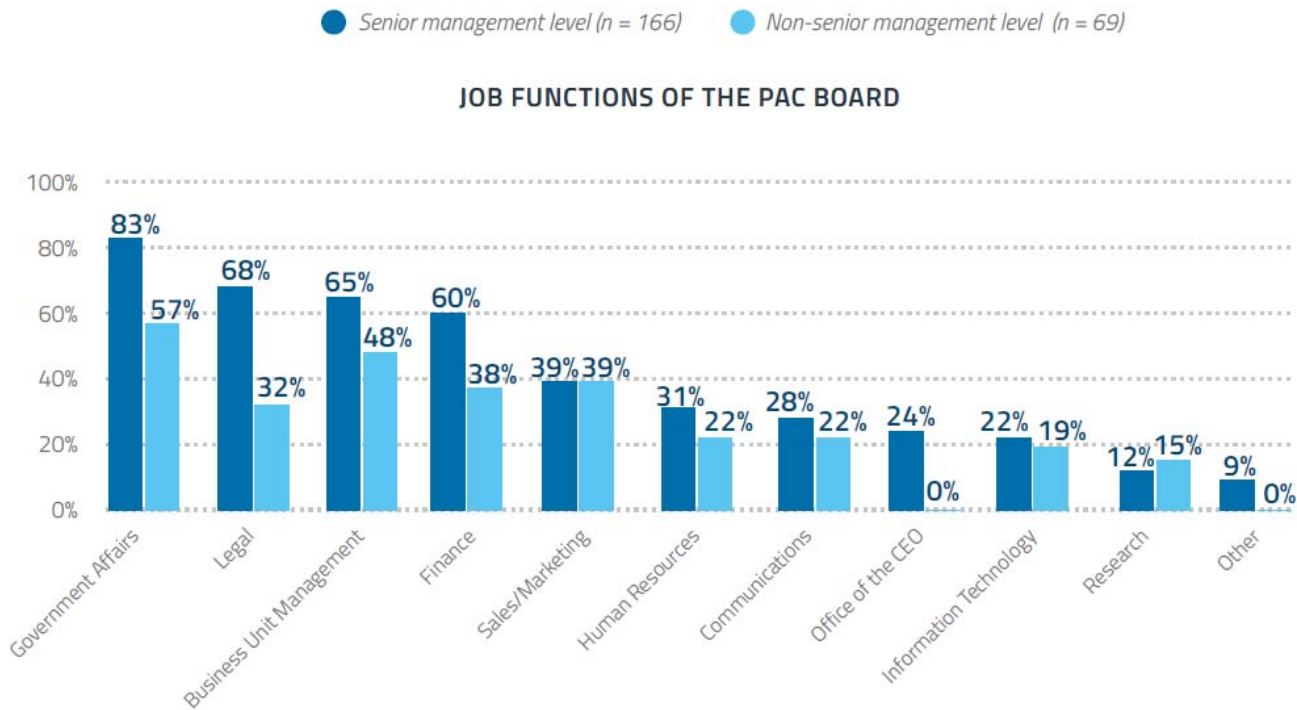


Leadership Engagement

- More than 94% of corporate PACs report that CEOs are involved in some solicitation or recognition activities
 - CEOs soliciting the board: 24% (up from 16%)
- 74% contribute at maximum level (92% for \$1M+ PACs)
- Top solicitors:
 - Senior management (other than the CEO)
 - CEO
 - Head of government relations
 - Peer solicitors

Don't Forget the PAC Board

- Ranked top five most effective solicitors
- 88% of PACs have PAC board
 - Median size: 9 members



3. Fundraising and Solicitations

Fundraising Snapshot

- Median PAC solicits all eligible employees
- Median participation rate is **16%**
- Median per person contribution is **\$384**
- Median sr. management participation rate is **78%** for a median per person contribution of **\$1,684**

Leadership Contributions Are Critical

	Median participation rate – All	Median contribution amount – All
Board of directors	89%	\$3,292
Senior Management	78%	\$1,684
Restricted class/salaried employees	12%	\$384
All other donors	36%	\$556

Fundraising Trends

- 47% of PACs do one short campaign per year
 - 19% solicit continuously (higher for \$1M PACs)
- Companies are not heavily engaged in soliciting shareholders
 - The majority of which solicited fewer than 10% of shareholders
- The majority of donors contribute **via payroll deduction (88%)**
 - 10% are by check
 - 2% are by credit card

Peer-to-Peer is King

- The use of peer-to-peer solicitations continues to grow
- Ranked second as most effective solicitation approaches behind only online solicitations.

Solicitation Approaches	Most used	Most effective
Online solicitations (e.g., email)	88%	68%
Peer-to-peer solicitations	69%	58%
Small group meetings	61%	33%



Top Solicitors

Trends in Federal PAC Solicitors	2017	2015	2013
Head of government relations department	83%	77%	N/A
Government relations staff	72%	75%	85%
Senior management (not the CEO)	72%	69%	68%
CEO	56%	57%	49%
PAC manager	55%	57%	64%
PAC board members	54%	57%	55%
Peer solicitors	41%	43%	33%
Corporate board of directors	5%	2%	0%
Consultants	3%	1%	2%

Most effective:

- #1 Senior management (not CEO)
- #2 CEO
- #3 Head of government relations department
- #4 Peer solicitors
- #5 PAC board members

Top Solicitation Approaches

Solicitation Approaches	Most used	Most effective
Online solicitations (e.g., email)	88%	68%
Peer-to-peer solicitations	69%	58%
Small group meetings	61%	33%
Large organization event (e.g., leadership meeting or shareholder meeting)	51%	23%
Large group meetings	39%	9%
New hire communication or orientation	38%	11%
PAC video	33%	5%
Regular staff meetings	28%	6%
Fundraising events (e.g., dinner, reception, auction)	27%	13%

Most effective:

- #1 Online solicitations
- #2 Peer-to-peer meetings
- #3 Small group meetings

4. Incentives and Recognition

General Membership Benefits

Trends in General Membership Benefits	2017	2015
Special communications (e.g. issue updates or newsletters)	75%	78%
Live events with politician, celebrity or other guest speaker	43%	51%
Annual gift	40%	50%
Virtual events with politician, celebrity or guest speaker	27%	23%
Lapel pin	25%	23%
Event with CEO and/or senior executives	21%	29%
Opportunity to attend candidate fundraiser	21%	-
PAC match	20%	18%
Raffles	14%	20%
Other	9%	3%
Ability to deliver PAC checks to candidates	9%	14%
Special name recognition	7%	10%
Trip to Washington, DC, or state capital	3%	6%
Upgraded services or special events at company meetings/events	1%	3%
Trips to vacation destination	1%	1%
Incentive-club only events	0%	3%

Recognition Levels

- 88% of PACs have recommended giving levels
 - 70% are tied to title or pay grade
- 50% of corporate PACs have incentive clubs with defined benefits
 - 51% of these have 3 or more levels
 - Minimum contribution for *lowest* level is \$250 or 0.5% of salary
 - Minimum contribution for *highest* level is \$3,750 or 1% of salary
 - Up from \$3,000 in 2015

Incentive Club Benefits

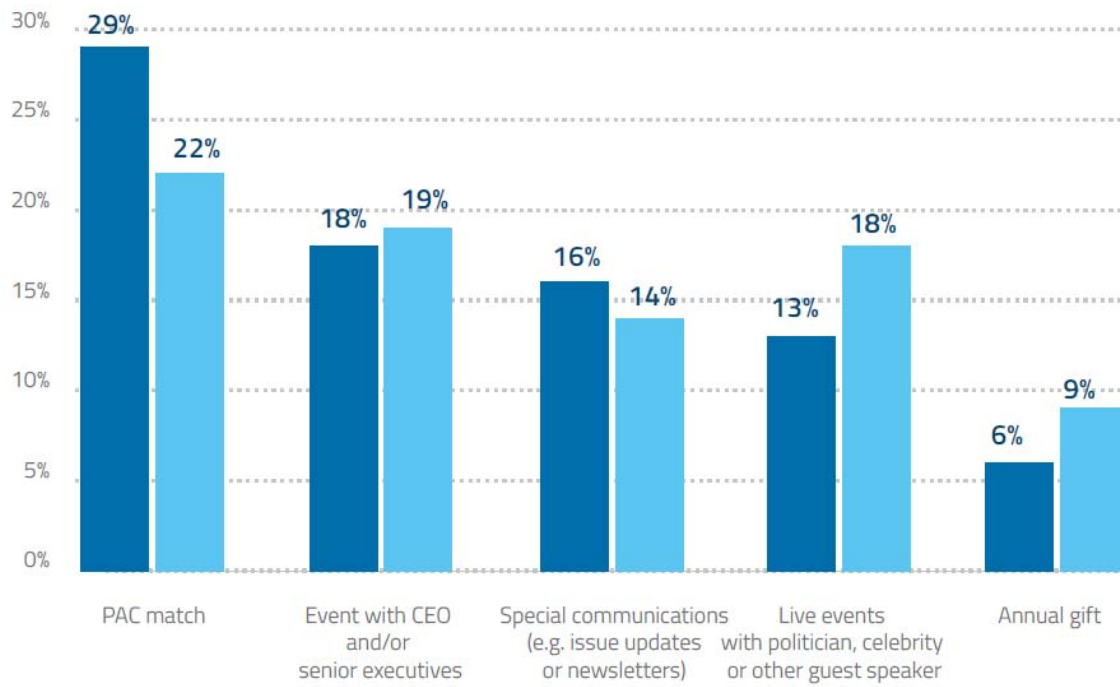
Trends in Incentive Club Benefits	2017	2015
Annual gift	63%	75%
Event with CEO and/or senior executives	57%	69%
Live events with politician, celebrity or other guest speaker	46%	25%
Incentive-club only events	46%	59%
Special communications (e.g. issue updates or newsletters)	45%	45%
PAC match	28%	23%
Special name recognition	26%	34%
Opportunity to attend candidate fundraiser	23%	-
Lapel pin	23%	28%
Virtual events with politician, celebrity or guest speaker	17%	25%
Raffles	17%	24%
Upgraded services or special events at company meetings/events	10%	13%
Other	8%	3%
Trip to Washington, DC, or state capital	7%	18%
Ability to deliver PAC checks to candidates	5%	9%
Trips to vacation destination	2%	2%



Single Most Effective Benefit

● 2017 (n=165) ● 2015 (n=191)

TRENDS IN MOST EFFECTIVE PAC BENEFITS



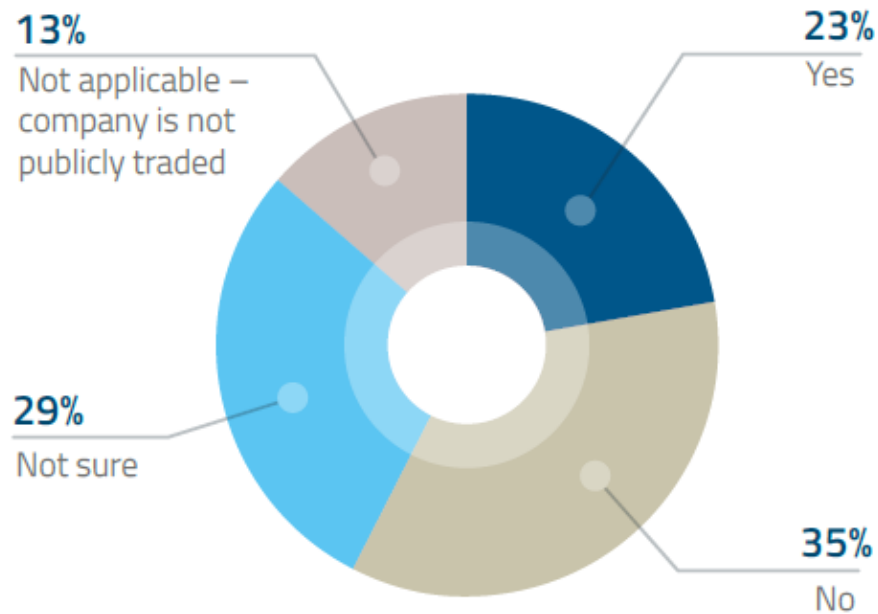
5. Transparency

Communications to Increase Awareness

Trends in Strategies Used to Enhance Awareness	PAC donors only	All PAC eligibles
PAC newsletter	61%	31%
Issue updates via email and/or web	50%	41%
Live events (e.g., PAC education, issue overviews and meet-and-greets)	48%	34%
Webinars or teleconferences on issues or featuring guest speakers	47%	26%
PAC annual report	46%	46%
PAC advertising/awareness campaign	19%	61%
Get-out-the-vote education	14%	58%
PAC-specific social media activities	7%	9%
Other	3%	1%
n=	155	157

Shareholder Activism

- Over 75% are publicly traded
- Of those, in the last year:



6. Political Engagement

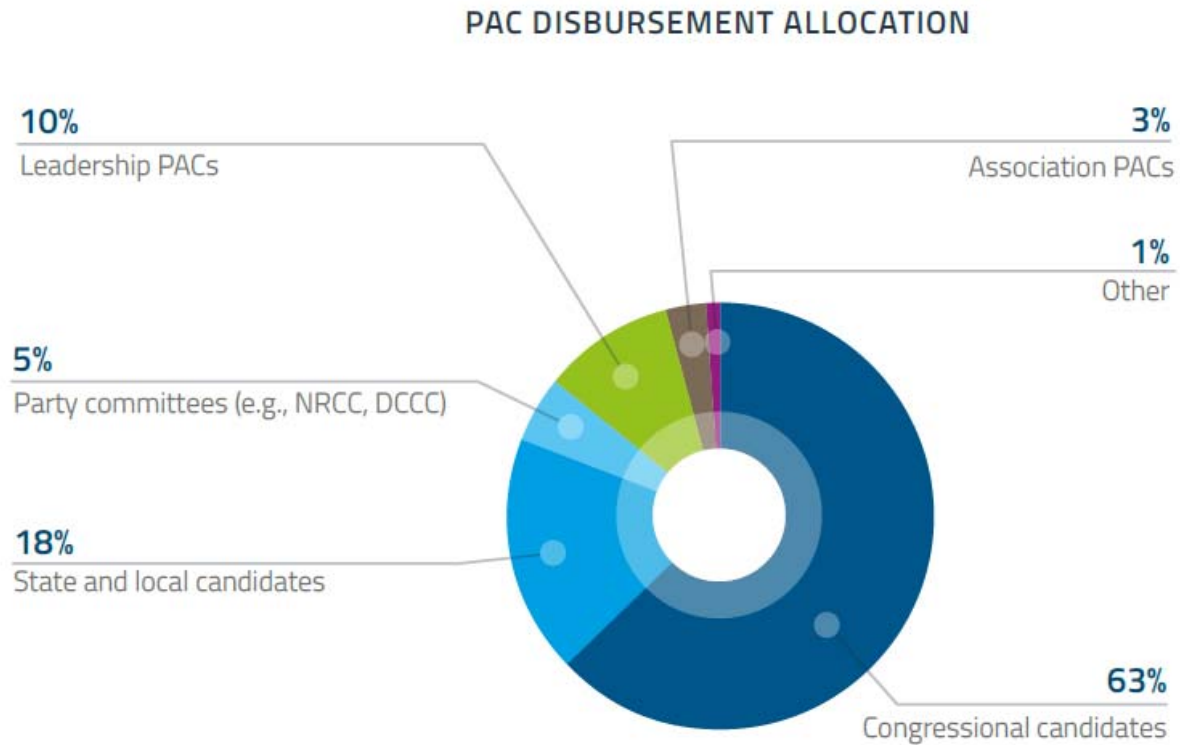
PACs Remain Key

- Only **5%** of companies report ever giving to a super PAC
- **39%** have a policy *prohibiting* contributions to super PACs
 - Up from 35% in 2015
 - For companies greater than \$1 million/cycle, 52% have a policy prohibiting super PAC contributions

Strategic Support of Candidates

Criteria for making decisions	Percentage of Respondents
Membership on key legislative committees	77%
Voting record consistent with your organization's goals	64%
Organization has facilities or locations in the candidate's district	52%
Leadership position	46%
Candidate's political alignment with customers, employees or other stakeholders	29%
Incumbent status	8%
Industry peers are supporting candidate/event	7%
Likelihood of being reelected	5%
CEO, senior management or Board preference for candidate	3%
Recommendation of a PAC member	3%
Other	1%
Candidate's position on social issues (e.g., human rights, discrimination, etc.)	1%

Where Does the Money Go?



Decision-Makers

Most Influential in Directing PAC Contributions	Percentage of Respondents
Federal/state lobbyists	49%
Head of Washington, DC, office (not the head of Public Affairs)	23%
Head of Public Affairs	9%
PAC board - all members	5%
PAC board chair	4%
Senior PAC professional	4%
CEO	1%
Other	5%
n=	185

“Other” responses include: corporate lobbyist/government affairs director, director of government relations, head of congressional affairs, head of DC office & PAC committee (GR team), head of global government relations, based at corporate headquarters, head of government affairs, head of government/public affairs/lobby team, VP of governmental affairs.



Connecting With Candidates

- 22% of PACs deliver at least *some* of their contributions via staff in district
 - 32% deliver checks at a small group meeting with the candidate in Washington
- 75% of PACs hosted candidate fundraisers in 2016 election cycle
 - 30% of organizations delivered some contributions at event they hosted

Major Conclusions

1. Corporate PAC managers must find efficiencies to keep their PAC growing. Budgets, staffing and resources are not trending up.
2. CEO and sr. leadership engagement in the PAC is rising and highly effective.
3. Corporate PACs are making transparency a priority, not because they have to by regulation or shareholder proposals, but because it's becoming increasingly expected and valuable to donors.

Major Conclusions

4. Peer-to-peer programs continue to be among the most effective solicitation efforts for PACs and most PAC professionals take an internal leadership role in managing P2P activities.
5. PAC donors are incentivized by PAC match, unique opportunities, access to information and to speakers and leaders above all else.

Comparative Analyses



*2015 Corporate PAC Benchmarking Report
Comparative Custom Report
February 26, 2016*

Methodology

The data in this report are derived from *The 2015 Corporate PAC Benchmarking Survey* research program conducted by the Public Affairs Council. This report provides data for the following custom sample:

- Companies with \$5.1 to \$20 billion in revenue that have 20,001 to 50,000 employees (total of 46).

For ease of comparison, results for the full sample are also provided.

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



For More Information

Kristin Brackemyre
Manager, PAC and Advocacy Practice
202.787.5969
kbrackemyre@pac.org

