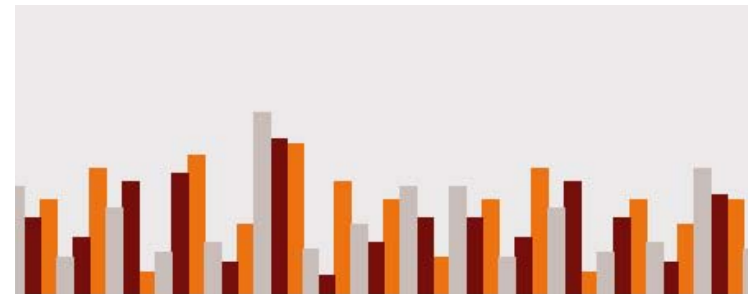


2017 Association PAC Benchmarking Report

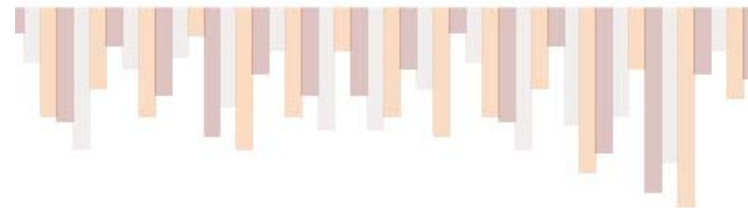
Webinar for Survey Participants
October 5, 2017

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
- 76 participating associations
- Conducted at the end of every election cycle



2017 Association
PAC Benchmarking Report



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

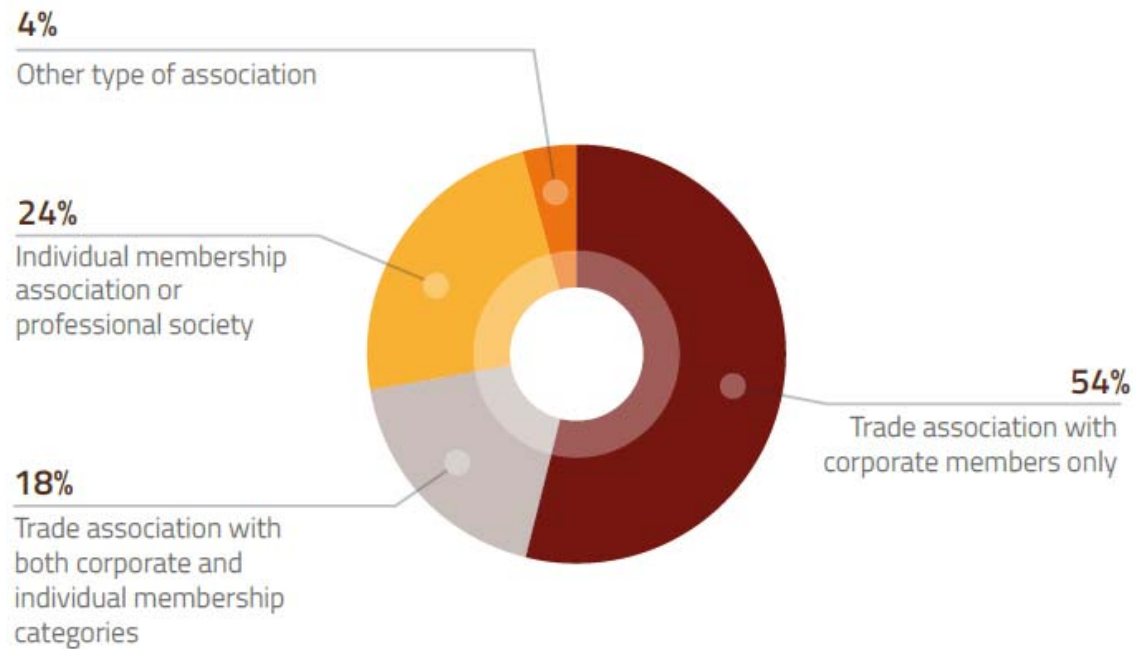
- Leadership engagement drives PAC growth
- Using peer-to-peer solicitors in fundraising plan
- Strategic use of vendors and consultants
- Revising your incentive structure and philosophy

Conduct a comparative analysis (additional fee)

- Compare results with associations of your size, best-in-class, etc.
- For more information, contact Kristin Brackemyre at kbrackemyre@pac.org

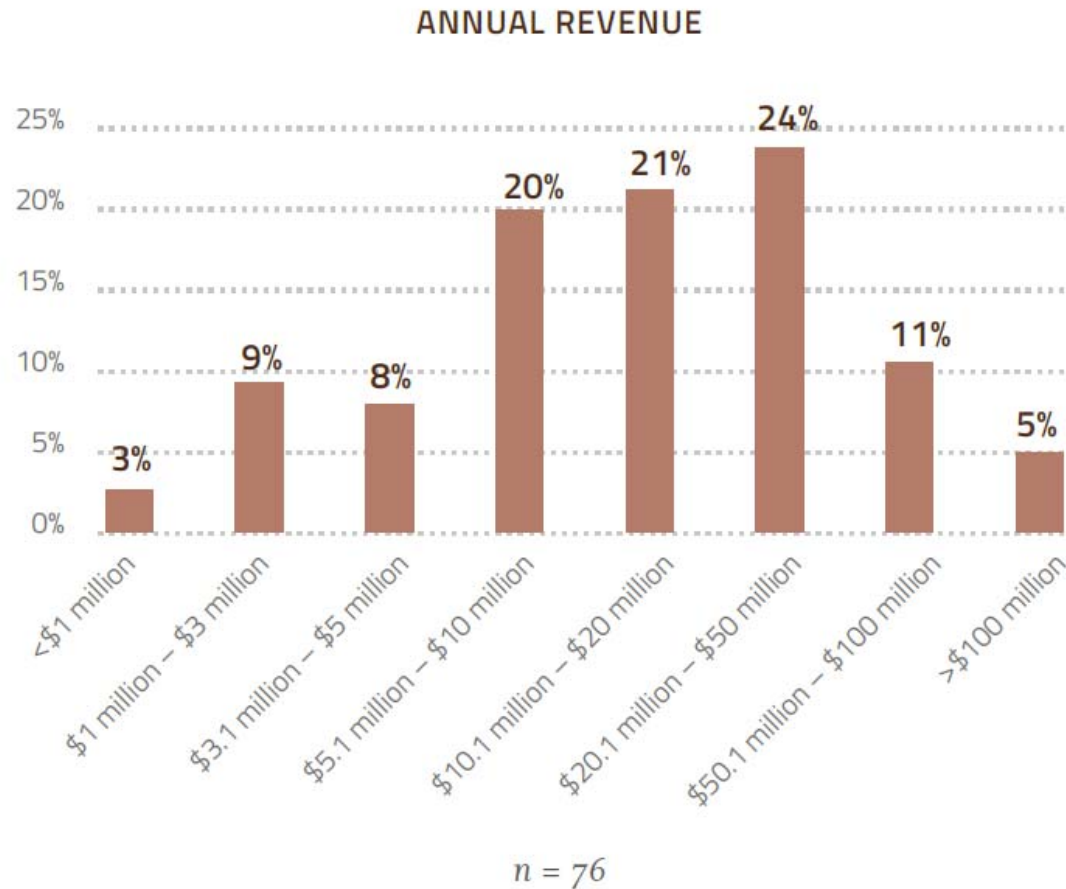
The Data Set: Association Type

What is your association type?



$n = 76$

The Data Set: Revenue & PAC Size



The Data Set: Revenue & PAC Size

Association Annual Revenue	Median PAC Size
Overall	\$428,849
Up to \$3 million	\$233,819
\$3.1 - \$5 million	\$400,801
\$5.1-\$10 million	\$239,140
\$10.1-\$20 million	\$362,206
\$20.1-\$50 million	\$660,224
>\$50 million	\$760,698

1. Setting the Scene

PACs Are Experiencing Growth

Percentiles:

10th

25th

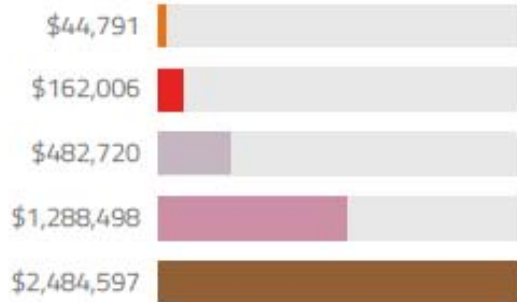
50th (median)

75th

90th

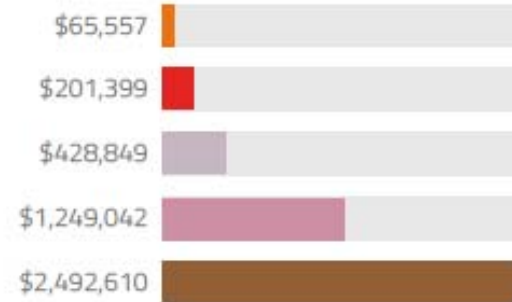
FEC 2014

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



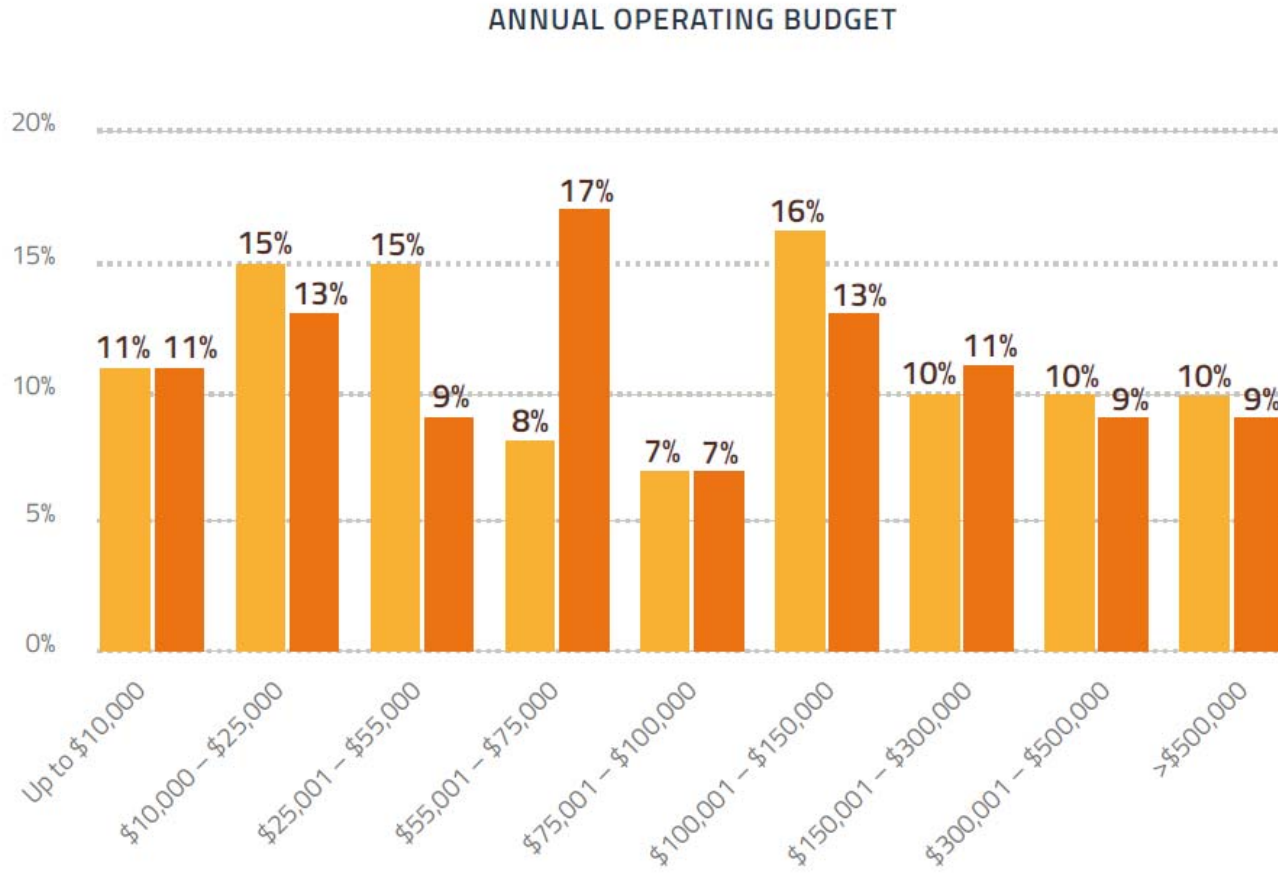
FEC 2016

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



- No change in staffing
(0.5 administrative staff and 1.0 professional staff)
- Lots of outside responsibilities
- Relatively little change in budgets

Budget Matters

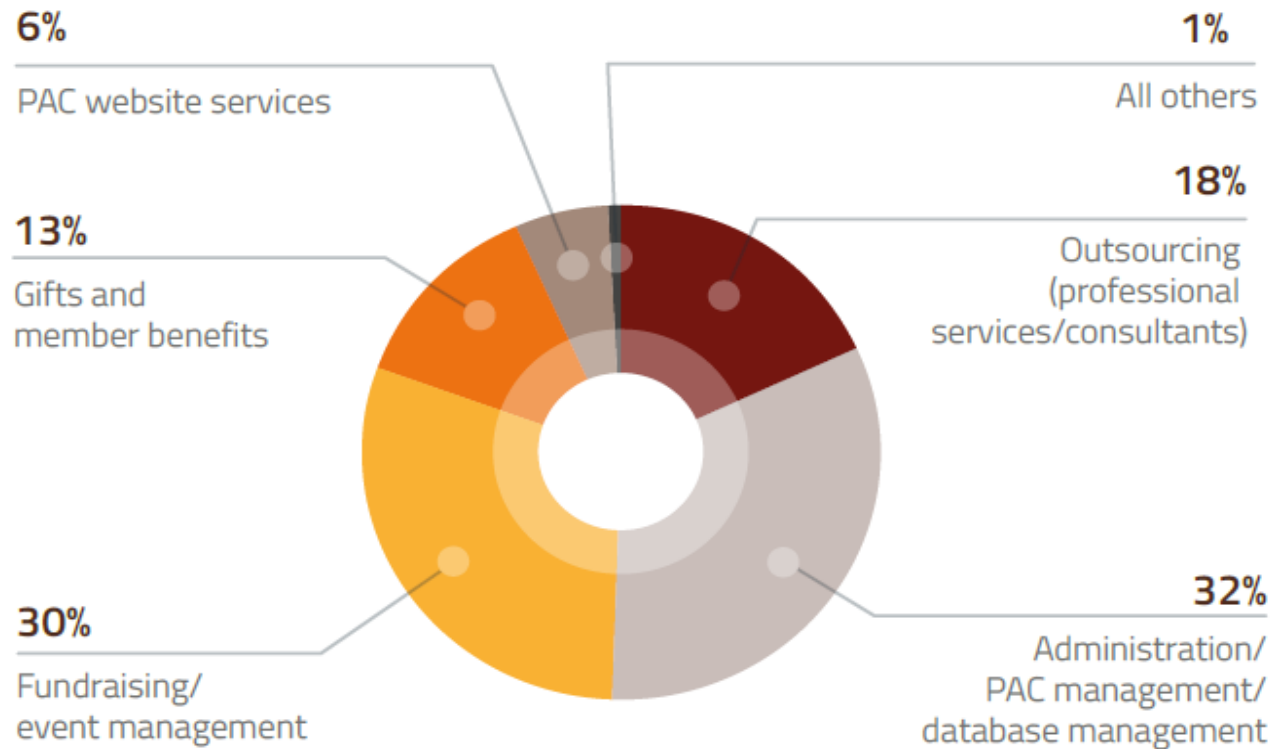


Budget Matters

Annual Operating Budget	Median
Up to \$10,000	\$87,432
\$10,000 - \$25,000	\$233,819
\$25,001 - \$55,000	\$276,728
\$55,001 - \$75,000	\$333,327
\$75,001 - \$100,000	\$281,465
\$100,001 - \$150,000	\$803,624
\$150,001 - \$300,000	\$1,249,042
\$300,001 - \$500,000	\$1,071,709
>\$500,000	\$2,099,958

Budget Matters

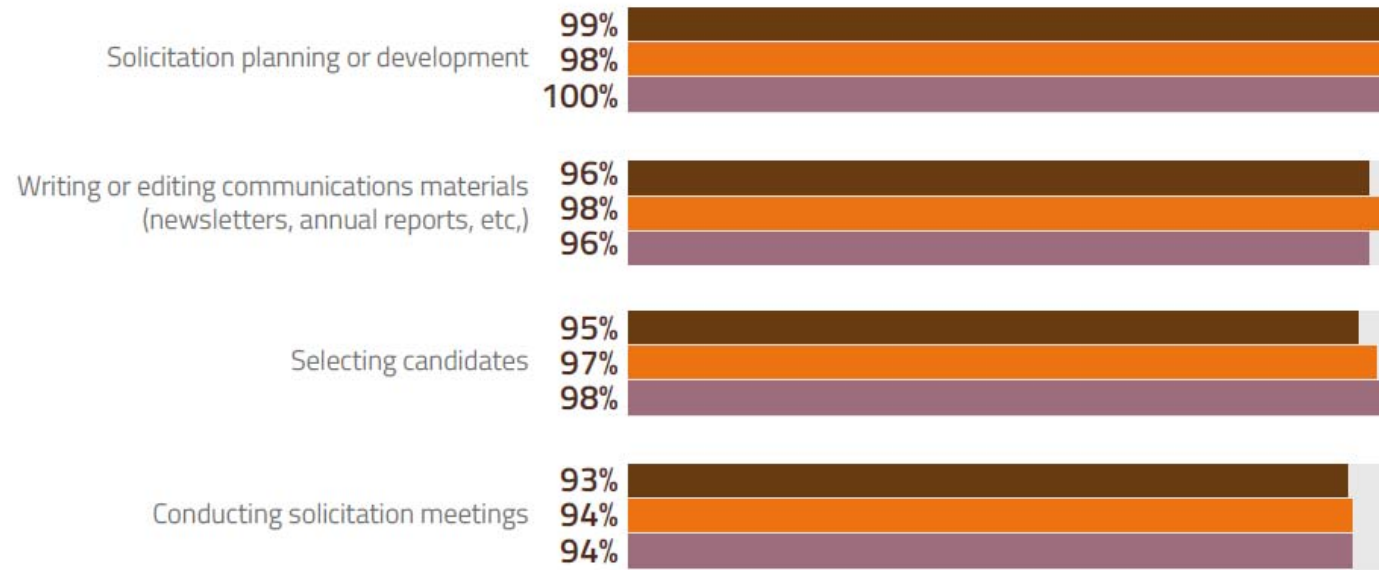
PAC BUDGET ALLOCATION



Who Does What?

● 2017 (n = 76) ● 2015 (n = 106) ● 2013 (n = 90)

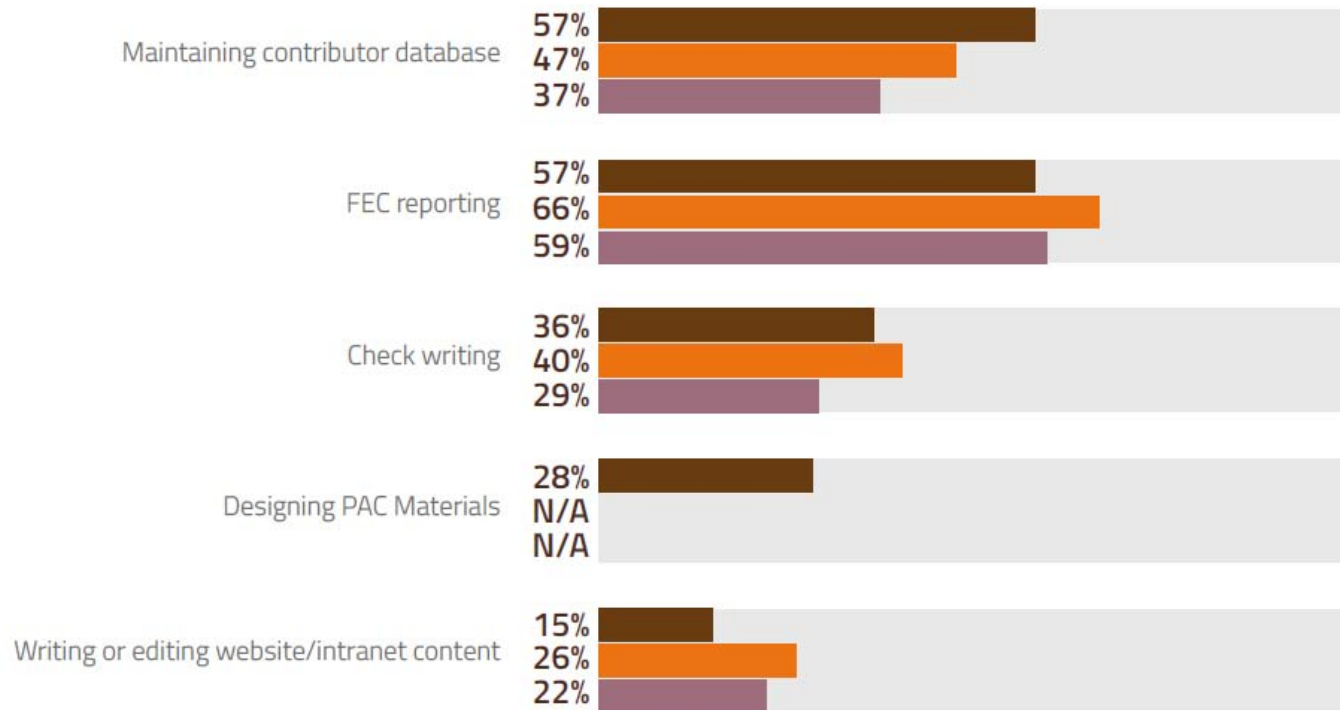
TRENDS IN ACTIVITIES CONDUCTED BY PAC STAFF/VOLUNTEERS



Who Does What?

● 2017 (n = 47) ● 2015 (n = 58) ● 2013 (n = 49)

TRENDS IN ACTIVITIES CONDUCTED BY EXTERNAL CONSULTANTS/VENDORS



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	87%	70%	83%	92%	96%
Formally endorses the PAC	75%	70%	62%	83%	87%
Makes presentation at or opens solicitation meetings	61%	60%	52%	67%	70%
Signs or sends solicitation letters and emails	60%	50%	62%	58%	61%
Solicits association's board of directors	53%	30%	62%	58%	52%
Contributes the maximum amount allowed to the PAC	47%	20%	35%	58%	70%
Contributes below the maximum amount allowed to the PAC	47%	60%	62%	25%	35%
Hosts PAC donor appreciation events	44%	30%	31%	58%	57%
Signs or sends thank you letters	43%	60%	48%	25%	35%
Solicits prior approval (trade associations only)	43%	70%	38%	33%	39%

Member Leader Engagement Matters More

Member Leader Involvement by Size of PAC	Overall	<\$100,000	\$100,000-\$499,999	\$500,000-\$1M	>\$1 million
Formally endorses the PAC	81%	70%	71%	83%	96%
Attends PAC events	74%	70%	71%	67%	83%
Makes presentation at or opens solicitation meetings	69%	40%	64%	75%	83%
Signs or sends solicitation letters and emails	69%	70%	43%	75%	96%
Solicits association's board of directors	66%	60%	57%	50%	87%
Serves on the PAC board	64%	90%	32%	75%	83%
Chairs the PAC board	55%	70%	29%	67%	74%
Contributes the maximum amount allowed to the PAC	53%	20%	43%	58%	74%
Contributes below the maximum amount allowed to the PAC	47%	50%	61%	42%	35%
Sends communications on behalf of the PAC (e.g., PAC newsletter)	42%	40%	29%	50%	57%
Hosts PAC donor appreciation events	39%	30%	25%	42%	57%
Signs or sends thank you letters	39%	30%	21%	42%	65%
Solicits prior approval (trade associations only)	27%	50%	25%	17%	26%
Appears in a PAC video	22%	0%	11%	33%	35%

Top Leadership Activities

Leadership Involvement	Staff Executive	Member Leader
Attends PAC events	89%	74%
Formally endorses the PAC	77%	81%
Signs or sends solicitation letters and emails	62%	69%
Makes presentation at or opens solicitation meetings	63%	69%
Solicits the association's board of directors	55%	66%
Serves on the PAC board	22%	64%

Don't Forget the PAC Board

Trends in PAC Board Activities	2017	2015
Approves changes to bylaws	75%	75%
Provides general PAC oversight/input	75%	30%
Attends PAC Events	75%	N/A
Approves contributions to candidates	62%	62%
Manages strategic planning/goal setting	60%	63%
Conducts in-person fundraising or gives PAC presentations	60%	57%
Signs/sends solicitation letters	56%	55%
Attends Candidate Fundraisers	52%	N/A
Recruits PAC ambassadors/champions	37%	N/A
Solicits prior approval (trade associations only)	35%	22%
Selects candidates	27%	28%
Provides internal budget planning/oversight	24%	30%
Hosts PAC donor appreciation events	18%	30%
Plans solicitations	18%	29%
Manages communications activities	15%	14%
Manages transparency activities	15%	19%
Other	0%	1%

3. Fundraising and Solicitations

Fundraising Snapshot

- Median participation among general membership is **18%**
- Median per person contribution is **\$400**

*9% of total election cycle receipts come from PACs
(esp. for trade associations)

Prior Approval Concerns

70% of respondents have some corporate members

Percent of Member Companies That Grant Prior Approval	Percentage of Respondents
None	15%
1% – 10%	24%
11% – 25%	35%
26% – 50%	17%
51% – 75%	7%
76% – 90%	2%
91% – 100%	0%
Average (from midpoints)	20%

Fundraising Trends

- The majority of donors contribute once per year (88%)
- 13% of donors use payroll deduction
 - 44% are by credit card (one-time or recurring)
 - 43% are by check

Peer-to-Peer Solicitations

- The use of peer-to-peer solicitors stayed at 43% from 44% in 2015
- Peer-to-peer were ranked most effective and second most used
- 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	95%	23%
When peer-to-peer meetings are not used	76%	9%

Recruiting & Training PAC Ambassadors

- PAC boards are key in helping identify PAC ambassadors from among the membership (37% do this)
- Staff are more involved in training (80%) than outside consultants or vendors (4%)

Top Solicitors

Top Solicitors	2017	2015
PAC board members	82%	79%
PAC manager	82%	63%
Association member leader (e.g., board chair)	66%	61%
CEO/staff executive	66%	55%
Association sr. staff (not the CEO)	52%	43%

Most effective:

- #1 PAC board members (56%)
- #2 CEO/staff executive (46%)
- #3 PAC manager (43%)
- #4 Peer solicitors (not on the board) (29%)
- #5 Association member leader/board chair (27%)

Top Solicitation Approaches

Solicitation Approaches	2017	2015
Online solicitations (e.g., email)	88%	81%
Peer-to-peer solicitations	87%	72%
Association's Annual Meeting or Trade Show	78%	83%
Direct Mail	60%	43%
Events (e.g., Fly-in)	59%	64%

Most effective:

- #1 Peer-to-peer solicitations (54%)
- #2 Online solicitations (50%)
- #3 Association's Annual Meeting or Trade Show (47%)

4. Incentives and Recognition

General Membership Benefits

Benefits Offered for PAC Membership	Incentive Club Membership	General Donors
Special name recognition	93%	61%
Lapel pin	78%	42%
Special communications (e.g. issue updates or newsletters)	61%	56%
Incentive-club-only events	51%	0%
Upgraded services or special events at association annual meeting/other events	49%	11%
Annual gift	42%	19%
Live events with politician, celebrity or guest speaker	39%	19%
Opportunity to attend candidate fundraiser	34%	23%
Event with staff executive and/or board leadership	29%	14%
Ability to deliver PAC checks to candidates	27%	22%
Virtual events with politician, celebrity or guest speaker	15%	2%
Raffles	12%	13%
Trips to vacation destination	5%	0%
Other	5%	8%
Trip to Washington, DC, or state capital	2%	0%
PAC match	2%	6%

Recognition Levels

- 60% of associations have incentive clubs
 - 95% of these have 3 or more levels
 - Over one-third have 5 or more levels
 - Minimum contribution for *lowest* level is \$125
 - Minimum contribution for *highest* level is \$5,000

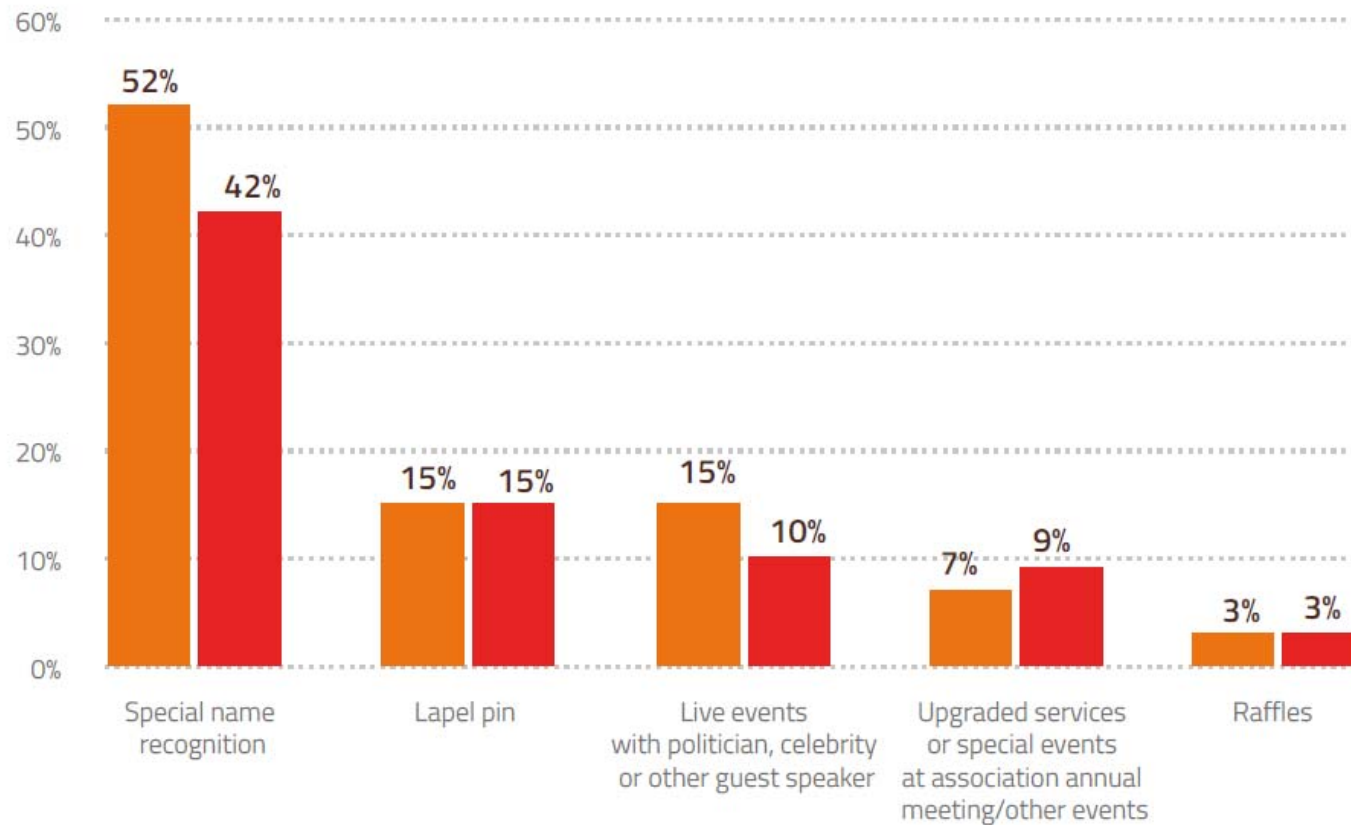
Incentive Club Benefits

Trends in Incentive Club Benefits	2017	2015	2013
Special name recognition	93%	85%	88%
Lapel pin	78%	76%	80%
Special communications (e.g. issue updates or newsletters)	61%	55%	43%
Incentive-club-only events	51%	50%	49%
Upgraded services or special events at association annual meeting/other events	49%	48%	43%
Annual gift	42%	72%	82%
Live events with politician, celebrity or guest speaker	39%	53%	49%
Event with staff executive and/or board leadership	34%	35%	16%
Ability to deliver PAC checks to candidates	29%	50%	N/A
Virtual events with politician, celebrity or guest speaker	27%	22%	N/A
Raffles	15%	22%	24%
Trips to vacation destination	12%	3%	2%
Other	5%	3%	2%
Trip to Washington, DC, or state capital	5%	10%	8%
PAC match	2%	5%	4%

Single Most Effective Benefit

● 2017 (n=62) ● 2015 (n=78)

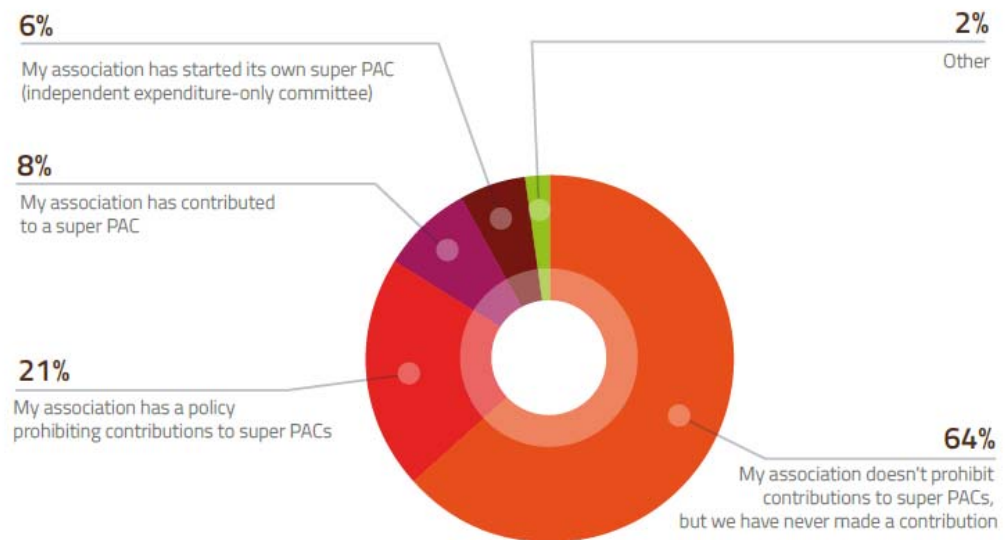
TRENDS IN MOST EFFECTIVE PAC BENEFITS



5. Political Engagement

PACs Remain Key

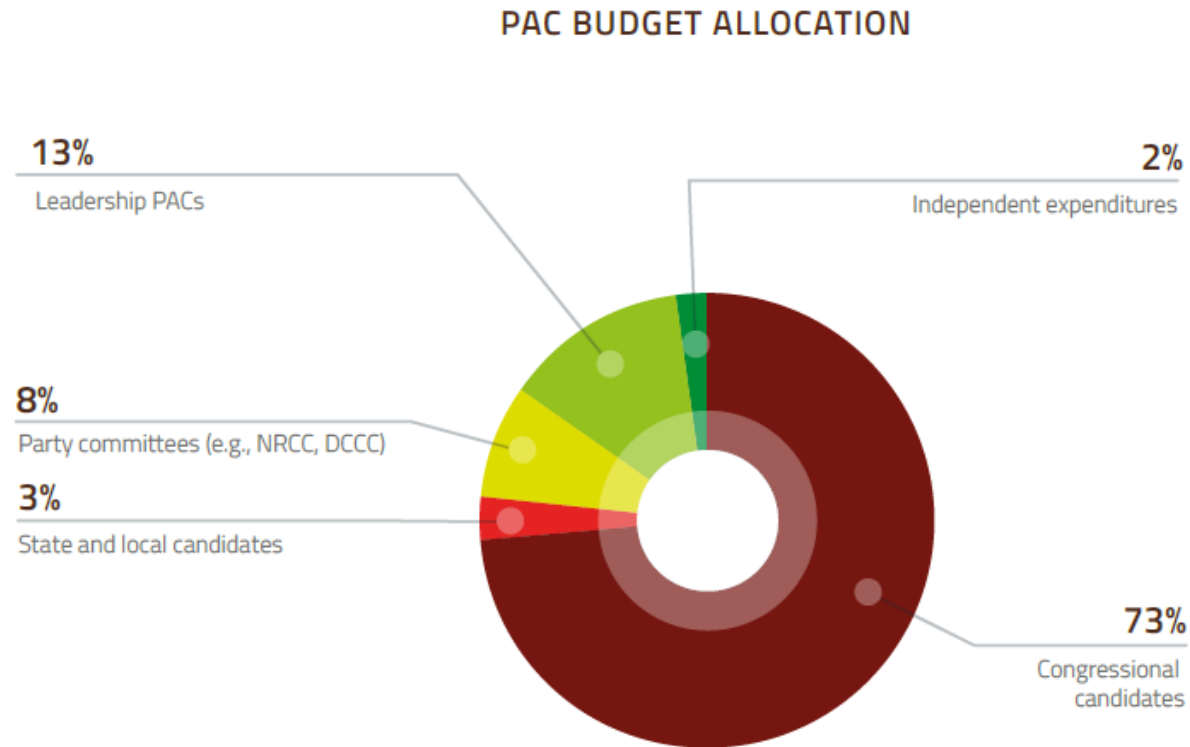
- 14% of associations report ever giving to a super PAC or creating their own for IEs
- 21% have a policy *prohibiting* contributions to super PACs



Strategic Support of Candidates

Criteria for PAC Contributions - all responses	Percentage of Respondents
Leadership position	67%
Voting record consistent with your organization's goals	64%
Membership on key legislative committees	62%
Recommendation of a PAC member	36%
Recommendation of a member company or association chapter	36%
Industry peers are supporting candidate/event	30%
Incumbent status	30%
Organization has member company facilities or high concentration of membership in the candidate's district	27%
Candidate's political alignment with association membership	27%
Likelihood of being reelected	27%
N/A – my association does not have formal candidate contribution criteria	24%
Financial need	15%
President, chair, CEO or board preference for candidate	14%
Party affiliation	9%
Candidate's position on social issues (e.g., human rights, discrimination, etc.)	0%

Where Does the Money Go?



Decision-Makers

Most Influential in Directing PAC Contributions	Percentage of Respondents
Federal/state lobbyists	49%
Senior PAC professional	12%
PAC board – all members	10%
Head of Washington, DC, office (not the head of Public Affairs)	9%
Head of Public Affairs	8%
Other	8%
CEO/staff executive	5%
PAC board chair	0%

“Other” responses include: association board of directors candidate selection group director of legislative advocacy & APMAPAC past contributions, committees of jurisdiction, and PAC/GR staff. VP federal affairs.

Creating Connections With Members

- 62% of PACs deliver at least *some* of their contributions via members
 - 55% offer this as a benefit of contributing to the PAC
- 43% delivered some contributions during a small group meeting with the candidate in DC
- 88% of PACs hosted candidate fundraisers in 2016 election cycle
 - 17% hosted 50 or more
 - 42% of organizations delivered some contributions at event hosted by a member company

Conclusions

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



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



For More Information

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

