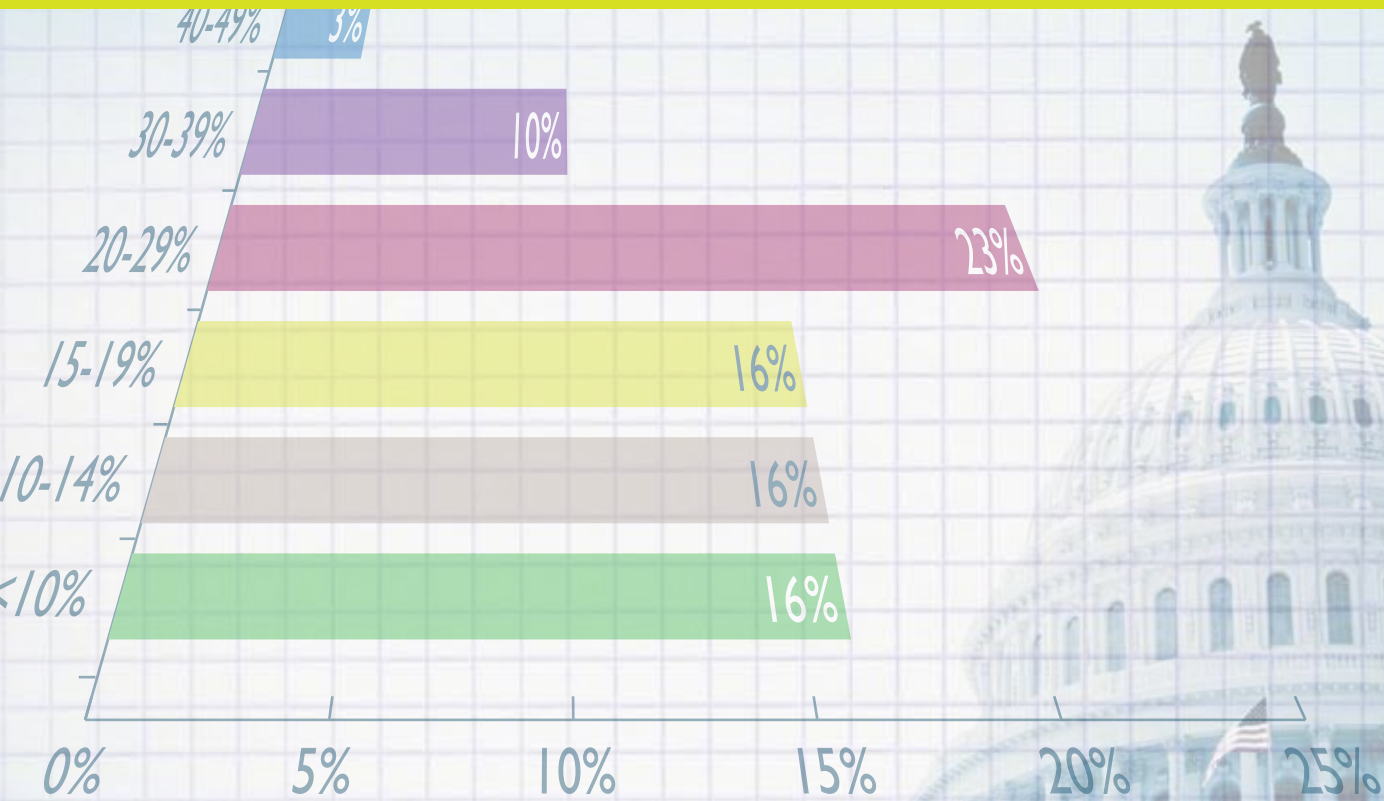


# REPORT ON KEY FINDINGS

## NABPAC Survey of Million Dollar Corporate PACs



# 2013



Published by

NATIONAL ASSOCIATION OF BUSINESS  
POLITICAL ACTION COMMITTEES

# INTRODUCTION



The number of corporations operating well-funded political action committees continues to grow.

According to the Federal Election Commission, there were 77 corporate PACs that raised \$1 million or more during the 2012 election cycle, a 30% increase over the 2010 cycle.

The Board of Directors of the National Association of Business Political Action Committees (NABPAC) commissioned Dunn Associates to conduct the association's **Survey of Million Dollar Corporate PACs** to collect useful data to profile the structure, activities, resources, performance and policies of these large federal PACs. Karen Fabean and Amie Adams of Dunn Associates conducted the online survey of the 77 PACs from February 20 through March 18, 2013. Thirty-one PACs participated for a 40% response rate.

A similar survey was conducted in 2011 and some of the results are used in this report for comparative purposes.

## SPECIAL THANKS

The following NABPAC board members were instrumental in the development of the survey and helping to generate responses:

Richard McDonnell, Altria;  
Shannon Aimone, The Home Depot; and  
David Schild, Raytheon.

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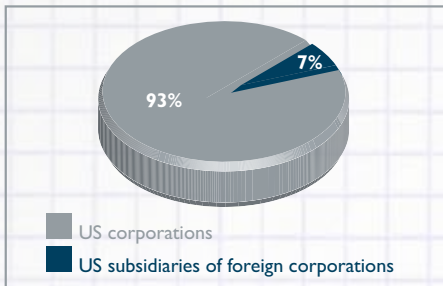
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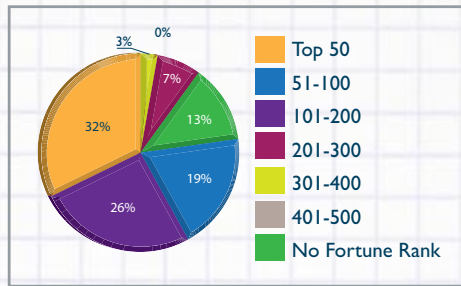
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# DEMOGRAPHICS

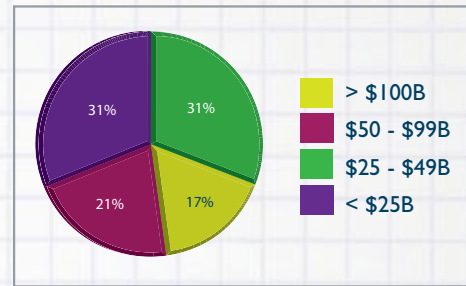
## By Corporate Status



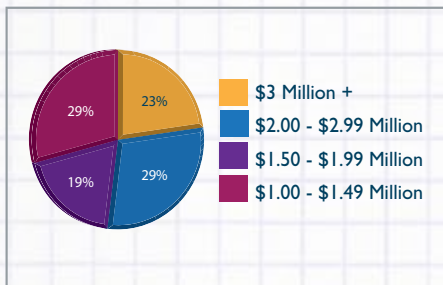
## By Fortune 500 Rank



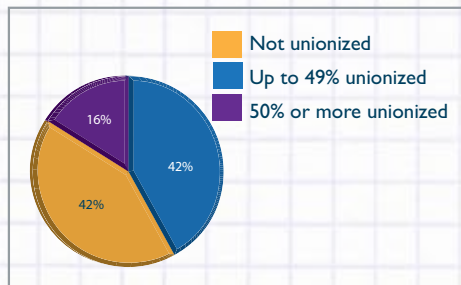
## By 2012 Corporate Gross Revenues



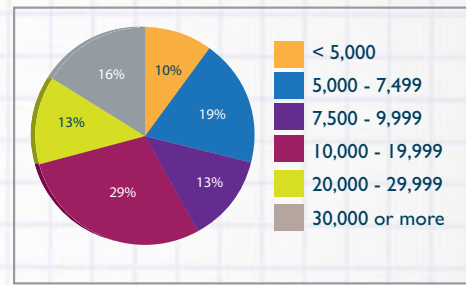
## By 2012 PAC Cycle Receipts



## By Union Employee Status

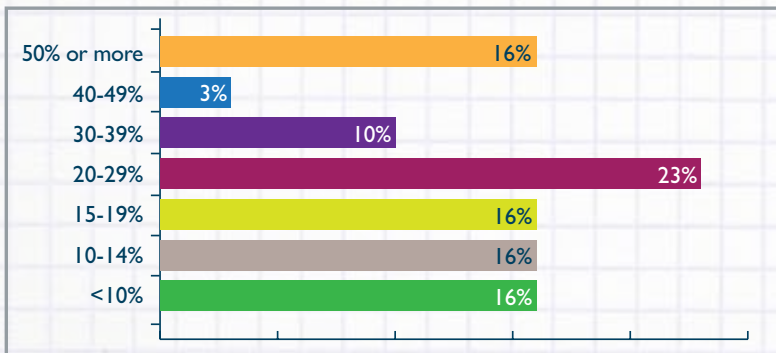


## By Number of Eligible Employees



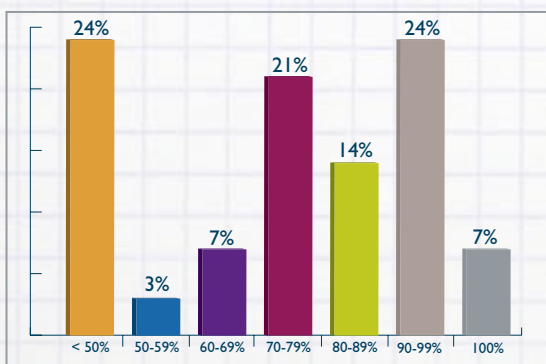
# PARTICIPATION RATES

## Overall Eligible Employee Participation Rates - 2013



52% have employee participation rates of 20% or more vs. 55% in 2011.

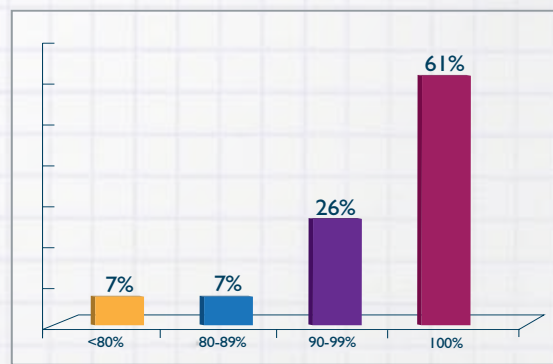
## Top Executive\* Participation Rates - 2013



72% had top executive participation rates of 100% in 2011.

\* A company's top management committee, e.g. Executive Committee.

## Senior Leader\* Participation Rates - 2013

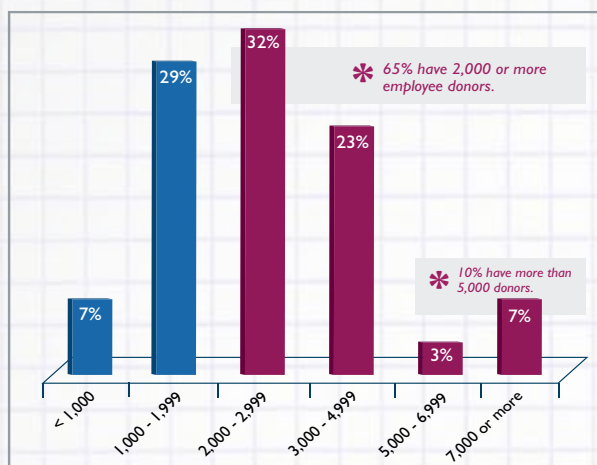


45% have senior leader participation rates of 80% or more v. 53% in 2011.

\* The next layer of top management below an executive committee, e.g. vice presidents and above, direct reports to Executive Committee, leadership team, etc.



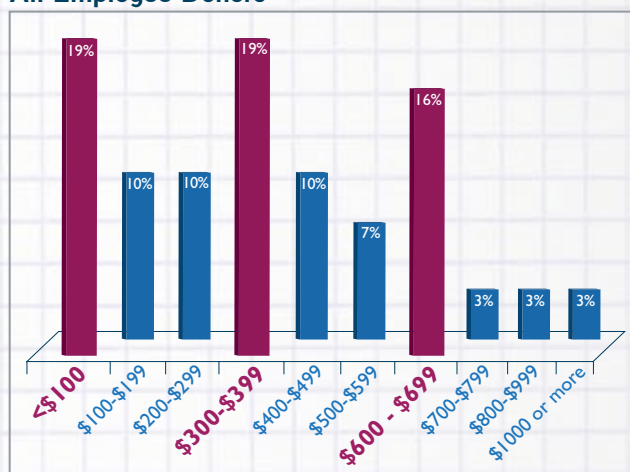
## Number of Donors



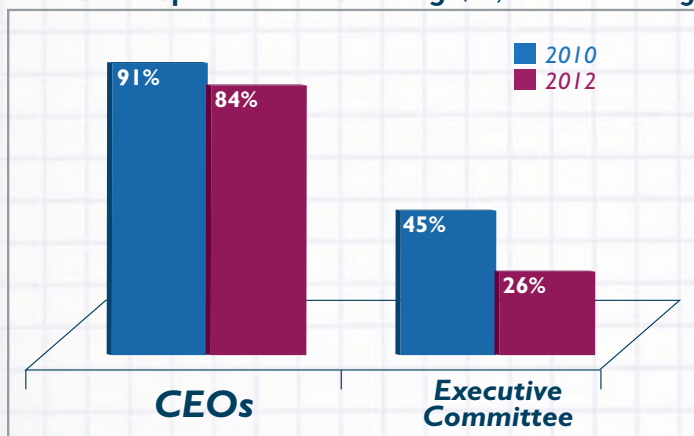
Customer service is a significant challenge.

## Annual Average Contributions as of Dec. 31, 2012

### All Employee Donors

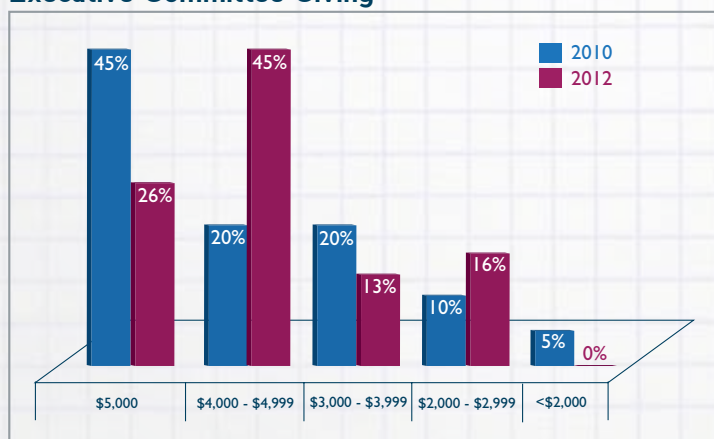


## CEOs & Top Executives Giving \$5,000 Annually



Fewer CEOs and top executives gave maximum annual contributions of \$5,000 in 2012.

## Executive Committee Giving



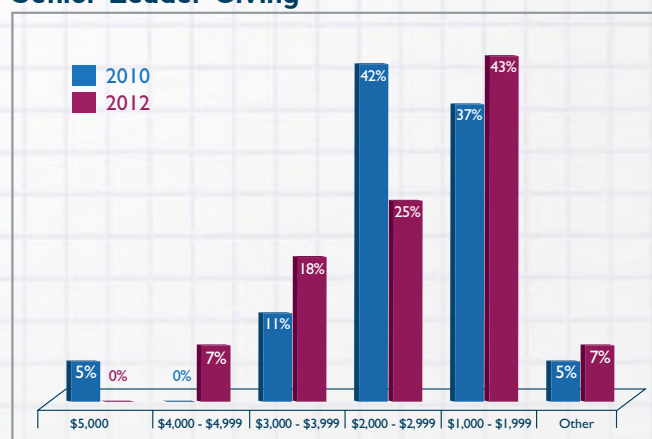
Top executives giving average annual contributions of \$4,000 - \$4,999 significantly increased in 2012 while those giving the maximum \$5,000 contribution decreased.



At the close of the 2010 election cycle, 27% reported average contributions of \$300-\$399 vs. 19% in 2012.

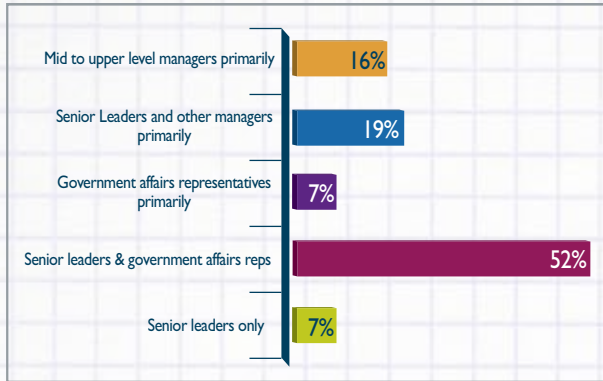
The rates of average annual contributions of less than \$100 and \$600-\$699 grew the most significantly by the close of the 2012 elections.

## Senior Leader Giving

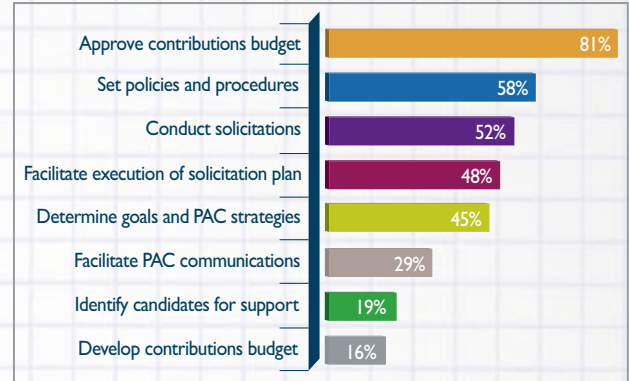


The most common giving range for senior leaders (e.g. VPs and above) fell from \$2,000 - \$2,999 (42%) in 2010 to \$1,000 - \$1,999 (43%) in 2012.

## PAC Board Membership



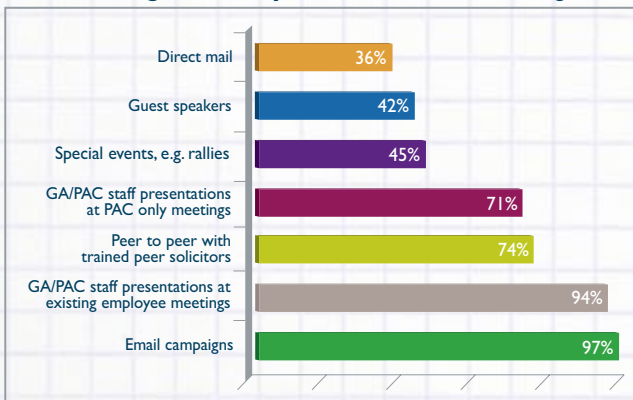
## Role of PAC Board



A majority have PAC boards comprised of senior leaders and government affairs representatives. 10% have CEOs serving on the PAC board as voting members and 7% are chaired by CEOs.

# FUNDRAISING

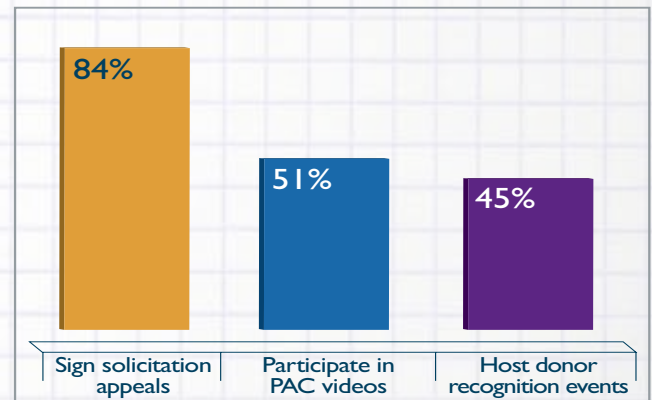
## Fundraising Techniques Used in 2012 Cycle



A majority (52%) conduct company-wide membership campaigns annually.

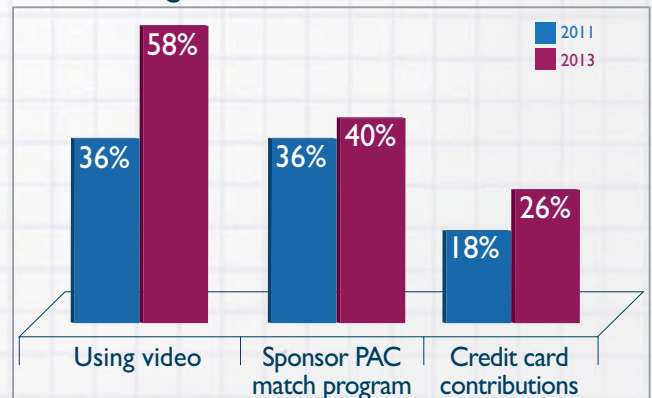
Email campaigns were the predominant fundraising technique in the 2012 cycle (97%) vs. Government Affairs/PAC staff presentations at existing employee meetings in the 2010 cycle (91%).

## CEO Role



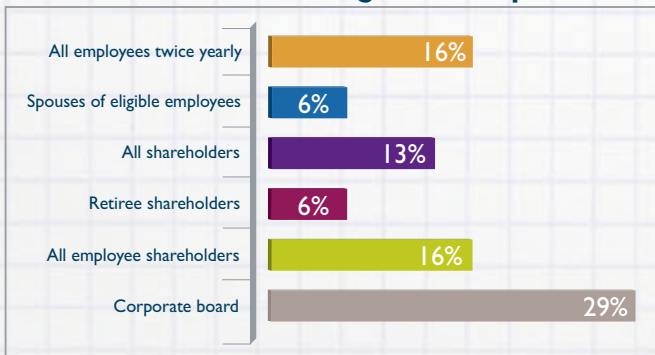
Only 36% of CEOs reportedly participated in PAC videos in the 2011 survey.

## Fundraising Tools



As a fundraising tool, use of video is rising faster than offering PAC match or the credit card contribution method.

## Solicitation of Other Eligible Groups

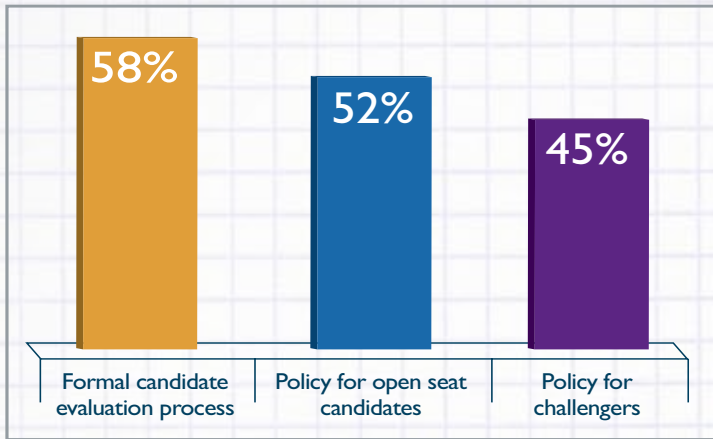


## Candidate Fundraisers

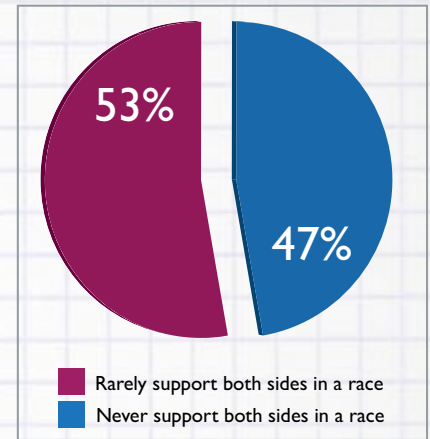
52% host candidate fundraisers less than 10 times per year and invite executives to participate.



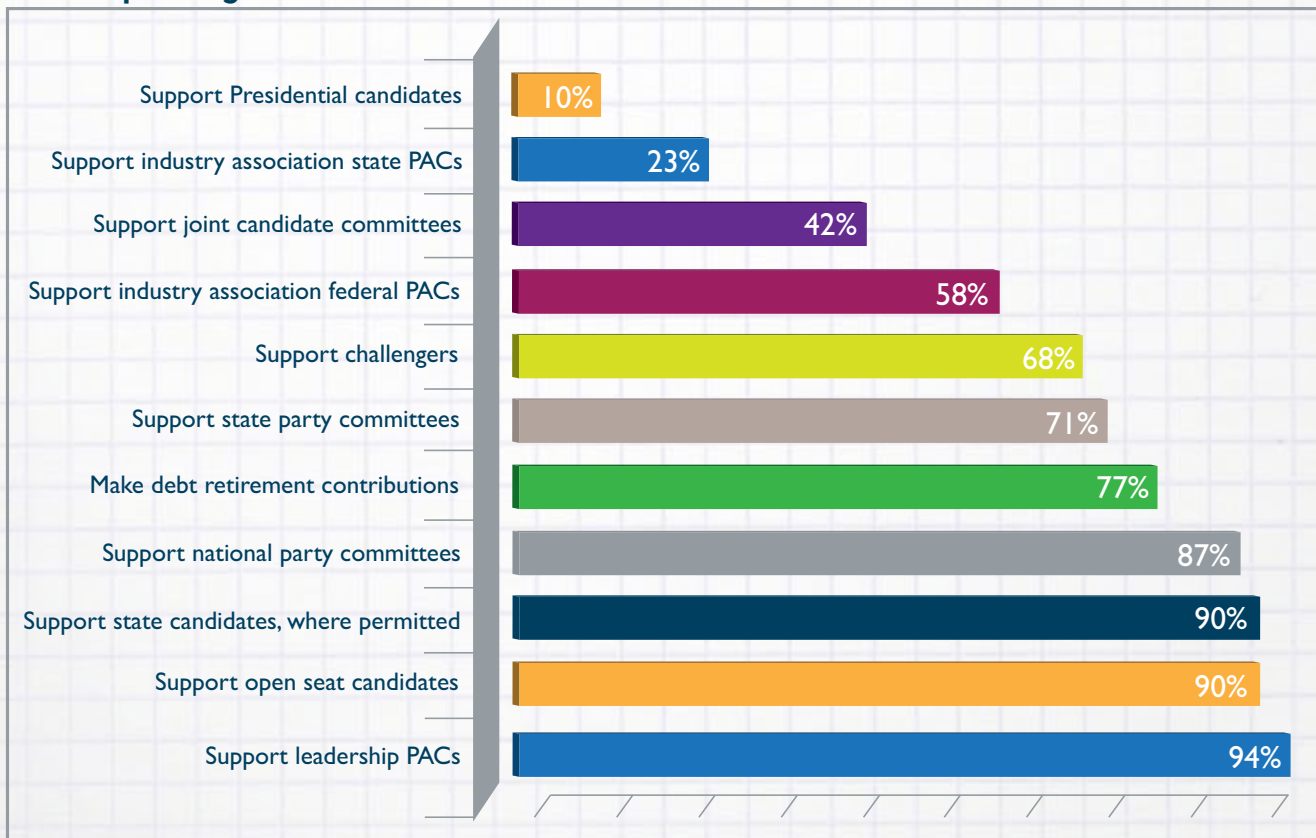
\* Large corporate PACs increasingly have formal, documented candidate evaluation processes and policies regarding open seat and challenger candidates.



\* Few support more than one candidate in a race prior to Election Day.



## Other Spending Practices



\* 94% of PACs and 90% of their sponsoring companies do not make independent expenditures.

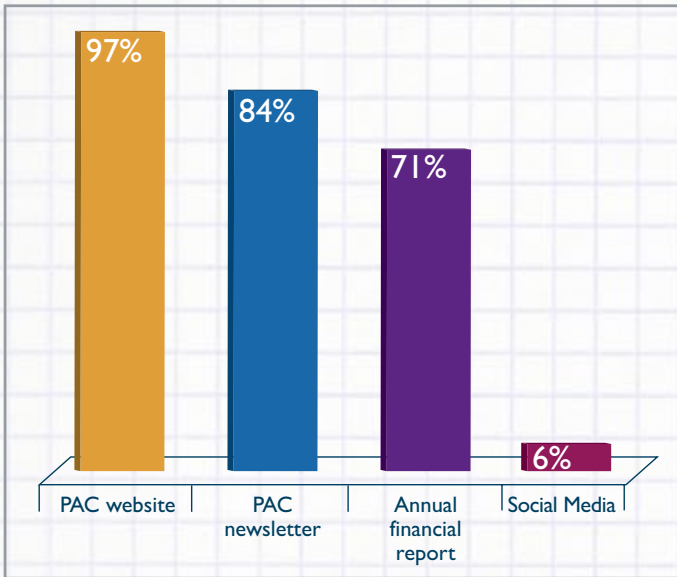
A majority (52%) of companies sponsor state PACs but less than one-third (29%) of federal PACs distribute funds to them.

16% have a formal direct giving program to encourage eligible employee giving to specific candidates.

# COMMUNICATIONS



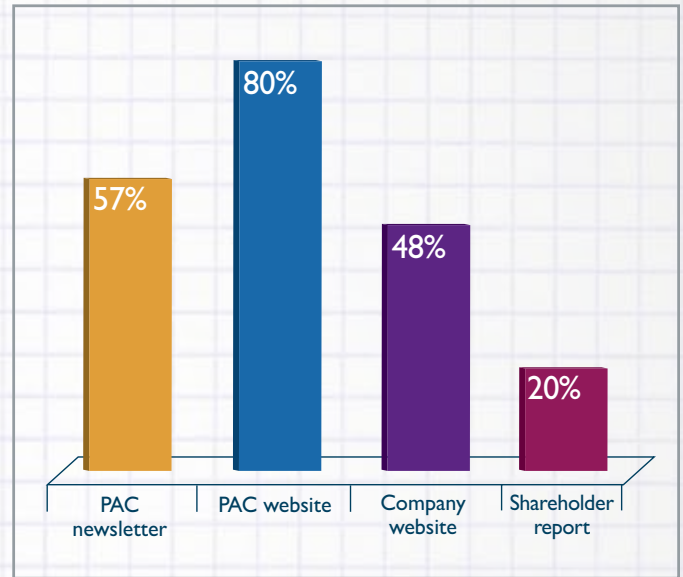
**Traditional communications methods are widely used.**



*Half of those with websites host them externally.  
35% send a PAC newsletter and 50% send annual financial reports to all eligible employees.*

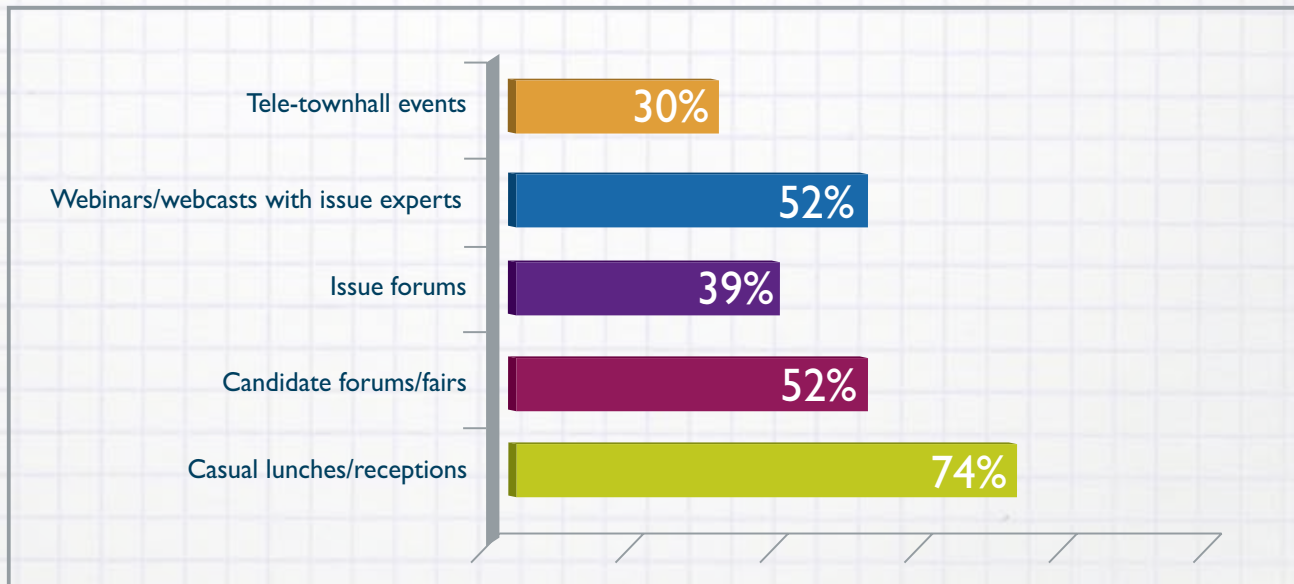


**Transparency is increasingly more important.**



*Companies are publishing PAC contribution information in many channels and for the public and shareholders, as well as employees.*

**PACs sponsor non-solicitation, non-partisan events to communicate the PAC's value.**



*10% of PACs and/or companies conduct partisan communications with eligible employees.*





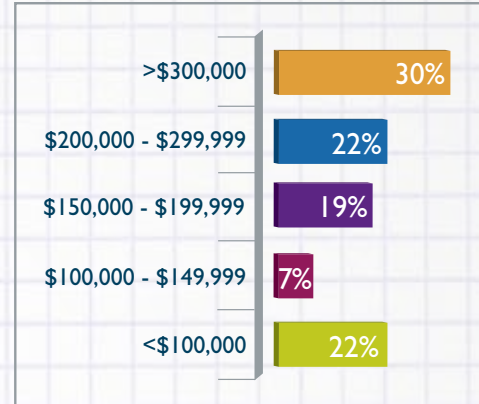
The rate of PACs with budgets of \$300,000 or more grew by 60% since the 2011 survey.

68% devote more than half of their budgets to outsourced services.

69% expect the average cost per dollar raised in 2013 will be less than 25 cents.

A majority (74%) of PACs expect 2014 cycle receipts to increase over 2012 cycle receipts.

## 2013 Operating Budgets\*



\*excludes salaries and benefits

# PAC DIRECTOR ROLES

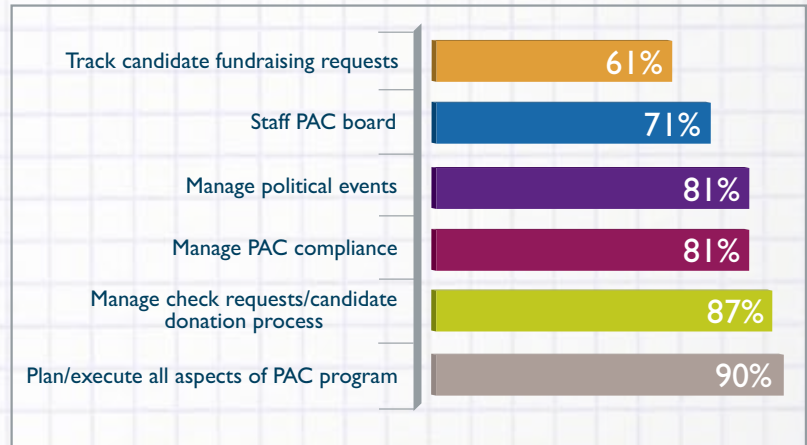


**Fewer PAC Directors:** manage grassroots programs (42%)

lobby at the federal level (19%)

lobby at the state level (10%)

perform PAC compliance (32%)



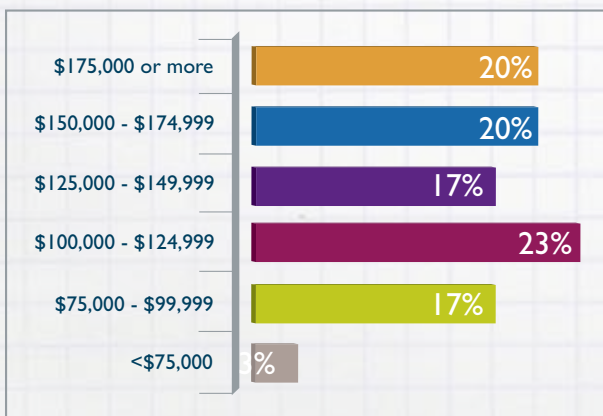
# COMPENSATION



A majority (57%) reported total annual compensations of \$125,000 or more.

96% receive year-end bonuses and 69% receive ongoing incentives such as stock options.

58% have held their current positions for three years or more.



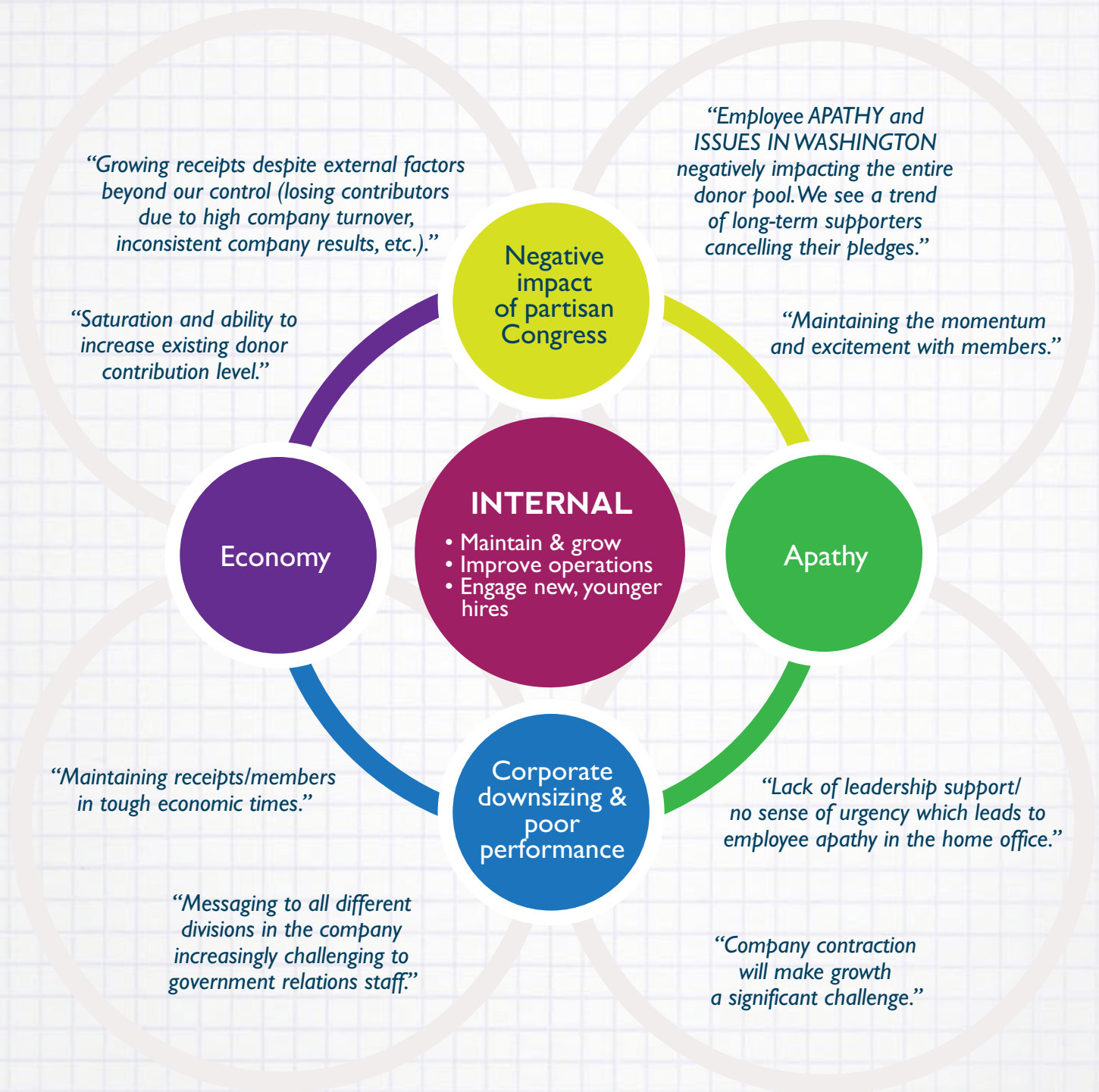
Higher earners are more likely to lobby, manage grassroots programs and manage/execute strategies for involvement in Presidential campaigns.

50% earning \$175,000 or more **lobby at the federal level.**

80% earning \$125,000 - \$149,000 and 50% earning \$150,000 - \$174,999 **manage grassroots programs.**

67% earning more than \$150,000 **manage/execute strategies for involvement in Presidential campaigns.**

## Million Dollar PACs have internal and external challenges



\* *“Maintaining Participation rates at historic levels and making a connection with those PAC eligibles that have consistently not given to the PAC.”*

\* *“Our industry is set to face a large number of retirements so coming up with a plan to engage a few new hires for every retirement will be first priority.”*



## PARTICIPATING CORPORATIONS

NABPAC thanks the following 27 corporations for participating in the 2013 Survey of Million Dollar Corporate PACs, as well as four additional companies that chose to remain anonymous.

Abbott  
Aetna  
Altria  
Amgen  
AstraZeneca US  
BNSF Railway  
CSX Corporation  
Deloitte LLP  
Dominion  
Eli Lilly and Company  
Enterprise Holdings, Inc.  
FirstEnergy Corp.  
GlaxoSmithKline  
Hewlett-Packard  
International Paper  
Johnson & Johnson  
JPMorgan Chase & Co.  
Koch Industries, Inc.  
Merck  
New York Life  
Northrop Grumman Corporation  
Pfizer Inc.  
Raytheon Company  
The Boeing Company  
The Home Depot  
United Technologies  
Walmart

## ABOUT NABPAC

The National Association of Business Political Action Committees (NABPAC), a 501(c)(6) non-profit trade association, was founded in 1977 and is the sole national organization dedicated to promoting, defending and professionalizing PACs and political action professionals.

NABPAC is not a PAC, and does not contribute to candidates – it is a trade association for corporations and business associations. Our goal is to advance the interests of our membership and protect the rights of millions of Americans who participate in democracy through voluntary contributions to a PAC.

NABPAC also provides comprehensive membership services to PAC and grassroots professionals through continuing educational workshops, annual conferences, informative publications and peer-to-peer advising.

Membership consists of over 650 PAC and government affairs professionals from 195 corporations, associations and vendors throughout the country who represent some of the smallest and largest PACs. NABPAC members collectively accounted for \$155 million in PAC receipts during the 2012 election cycle.

## ABOUT DUNN ASSOCIATES

Dunn Associates is a leading consulting firm that specializes in developing corporate and association political involvement programs such as political action committees and qualitative grassroots programs. In addition, the firm provides advice & consultation services to NABPAC members through the association's PACHelp Hotline.







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