

National Association of Business Political Action Committees

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WHY YOU SHOULD SUPPORT YOUR PAC

by Steve Stockmeyer and Geoff Ziebart

With almost daily reports of bribery scandals and ethical lapses in Washington, you may be wondering if all politics is corrupt and whether you should stop contributing to your company's or association's political action committee (PAC). You are not alone. If you are frustrated with the current state of political affairs, please take a few minutes to consider the points below. We hope this document will explain the critical role that PACs play in our campaign finance system and remind you that business community PACs are crucial to electing candidates to Congress who will protect and expand our nation's economic vitality.

PACS ARE NOT A PART OF THE RECENT ABUSES

PACs were authorized by law in the 1970s to reform the largely opaque and unregulated campaign finance system that preceded the Watergate years. PACs represented the beginning of a more transparent system that allowed citizens of average means to band together and pool their small after-tax and voluntary contributions to make a difference for candidates of their choosing. PACs are the manifestation of the idea that America is a nation of interests, all of which have a desire and constitutionally-protected right to voice their opinions through the campaign finance system.

After three decades of experience, it is clear that PACs are a reform that has stood the test of time. Nowhere are PACs to be found in any of the scandals of modern political history – not ABSCAM, Koreagate, or the Keating Five -- and especially not the Abramoff, Jefferson or Cunningham scandals that have been in the press of late. In fact, with regard to the Abramoff case, most of the millions of dollars leveraged for political purposes came from American Indian tribes who, because of existing laws, are not regulated by the Federal Election Commission (FEC) in the same way as other donors – especially PACs. In no way should any of the current scandals reflect poorly on any part of the PAC community – business or labor.

PACS INVOLVE MILLIONS OF AMERICANS FROM ALL WALKS OF LIFE

PACs are comprised of individuals who voluntarily come together for the purposes of helping elect or defeat candidates and to pursue issues of mutual interest. They are sponsored by associations, corporations, labor unions, and philosophical/issue-oriented groups. These organizations and individuals engage in civic education and seek a stronger voice in the political process. These rights are protected in our Constitution. Under regulations strictly enforced by the FEC, no funds from a corporate, association or union treasury can be contributed to a PAC, no donor can be reimbursed for his/her contribution, and no foreign national can contribute to or direct PAC contributions.

One of the major benefits of PACs over the past three decades has been the education, motivation, and involvement of citizens in the electoral process -- many for the first time. It's estimated that as many as 20 million Americans participate in politics by giving voluntary contributions to the PAC of their choice. And PACs represent more than just their donors. For example, the 158 PACs who are members of the National Association of Business PACs speak for approximately 7 million corporate employees and trade association members.

As of January 1, 2008 there were 4,234 PACs registered with the FEC, representing every interest imaginable. The total includes 1,601 corporate/employee PACs, 1,300 non-connected PACs, 925 association PACs, 273 labor union member PACs, 97 corporations without stock PACs, and 38 cooperative PACs. Federal PACs contributed a total of \$372.1 million to candidates in the 2006 election cycle, with corporate PACs accounting for \$135.9 million and trade and membership association PACs contributing \$101.8 million. Labor union PACs \$55.8 million in the same period. It's difficult to find any interest -- rich or poor, conservative or liberal -- that is not represented by a PAC or other significant political force. Public opinion surveys have shown that 70% to 80% of all Americans belong to groups that engage in political advocacy -- many of which sponsor PACs.

America is a nation of interests and the expression and competition of those interests is a healthy part of our democracy guaranteed by the Constitution. PACs are a legitimate way to participate in this process.

EVEN UNDER NEW RULES FUNDING DEMANDS WILL CONTINUE

While Congress periodically considers changes to the campaign finance laws, no law can ever change the need or desire of Americans to have their voice heard in public policy deliberations; none can ensure that government will avoid making laws adversely affecting the well being of individuals and groups of individuals. Accordingly, a corporation's employees and shareholders -- or an association's members -- justifiably expect their leadership to advocate their perspectives in the political arena and aggressively protect their rights.

In our modern and expensive communications society, where a 30-second advertisement during the 2009 Super Bowl will cost \$3 million, campaigns will continue to be costly. Politicians will continue to seek and expect financial and other support from sympathetic people and organizations. PACs provide a convenient, legitimate, and ethical way to meet all these continuing demands. PACs are here to stay.

ALTERNATIVES TO PACS ARE UNDESIRABLE

If donors stop contributing to PACs or the Congress for some reason decides to abolish or constrain PACs, companies and associations will be hard pressed to find ways to help candidates meet the rising costs of political campaigns without leaning hard on individual employees or members for personal support. Some groups will be forced to forego political involvement altogether to the detriment of their members; others will seek other ways to participate. The problem is that the alternatives to PACs available under current law, such as 527 organizations, are increasingly risky and unproven. But, more importantly, from a public policy point of view these other vehicles are less transparent, less accountable, and less limited than PACs. Just think about the current presidential election. 527-funded advertisements are bombarding American voters with messages paid for with unregulated and largely-unreported funds. Now you can understand why it is so important for PACs to vigorously help candidates meet the costs of modern campaigning. Without PACs and voluntary support from millions of donors, the face of modern campaigns could be dominated by super-rich activists willing to spend whatever it takes to defeat or elect a candidate. This cannot be healthy for America's future.

Beyond alternative means of financing our democratic elections process, some people believe that the taxpayers should carry the entire burden of funding every campaign for public office. This likely would run in the billions of dollars. Well, if you think the government spent its money wisely after Hurricane Katrina, you'll love how they spend your money helping thousands of candidates run for Congress and the presidency.

CONCLUSION

As long as we have organized, constitutionally-protected political involvement in this country, you will not find a better, cleaner, or more efficient way to fund candidates for federal office than through the richly diverse and robust PAC community. Three decades of experience have proven that PACs are an open, legitimate source of financing federal campaigns that -- like everything in the world around us -- have become increasingly expensive in modern times. Let us hope that this opportunity for everyday Americans to meaningfully participate in our democratic process continues to be preserved. Stand up for your PAC.

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