PACs and Political Endorsements

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Introductions
Overview

Is your organization ready to begin a PAC and engage in endorsements? This class will provide step-by-step instruction on how to establish and grow successful political action committees and endorse candidates.

Course objectives:
• Addressing ballot initiatives and referendums.
• Creating and maintaining a PAC.
• Building an airtight endorsement strategy.
The Harkin Institute for Public Policy & Citizen Engagement
What is a PAC?

To some, it's a game, but it shouldn't be when promoting your issues...
What is a PAC?

• PAC stands for “Political Action Committee.”
• Political Action Committees – Organized apparatus intended for raising and spending money to elect and defeat candidates.
• PACs represent business, labor, or ideological interests, or general advocacy issues.

• Source OpenSecrets.org
Types of PACs

• Three Main Types:
  • Separate Segregated Funds
  • Nonconnected Committees
  • Super PACs

• Other Types
  • Leadership PACs
  • Hybrid PACs

• Source: Federal Election Commission
Separate Segregated Funds/Nonconnected Committees

• Separate Segregated Funds
  • Established by a corporation or labor organization.
  • Part of organization, money separate from general organization funds.
  • Receives funds from individuals/organizations directly connected to the PAC.

• Nonconnected PACs
  • Does not have a connected organization.
  • Can receive limited support from a sponsoring organization, that is not a corporation or labor organization, i.e. a partnership or unincorporated association.
  • Individuals outside of an organization can support the PACs.

• Source: Federal Election Commission
Super PACs

• Formally known as independent expenditure-only committees.
• “May raise unlimited sums of money from corporations, unions, associations, and individuals.”
• Can spend unlimited money on advocating for/against candidates.
• Cannot donate directly to candidates and cannot coordinate directly with candidates they benefit.

• Source: OpenSecrets.org.
Super PACs in Action

LONG STORY SHORT

STEPHEN COLBERT’S SUPER PAC
Who Can and Can’t Contribute to a PAC...

• Well, it depends...
Separate Political Infrastructure For Or Against Candidates

SSFs

Political Candidate Committee

Nonconnected PACs

Super PAC

Unions

Corporations

Associations

General Public
Who Can’t Contribute to a PAC...

• Federal Government Contractors
• Foreign Nationals
## Contribution Limits

### Contribution limits for 2021-2022 federal elections

<table>
<thead>
<tr>
<th>Donor</th>
<th>Candidate committee</th>
<th>PAC† (SSF and nonconnected)</th>
<th>Party committee: state/district/local</th>
<th>Party committee: national</th>
<th>Additional national party committee accounts‡</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>$2,900* per election</td>
<td>$5,000 per year</td>
<td>$10,000 per year (combined)</td>
<td>$36,500* per year</td>
<td>$109,500* per account, per year</td>
</tr>
<tr>
<td>Candidate committee</td>
<td>$2,000 per election</td>
<td>$5,000 per year</td>
<td>Unlimited transfers</td>
<td>Unlimited transfers</td>
<td>$45,000 per account, per year</td>
</tr>
<tr>
<td>PAC: multicandidate</td>
<td>$5,000 per election</td>
<td>$5,000 per year</td>
<td>$5,000 per year (combined)</td>
<td>$15,000 per year</td>
<td>$109,500* per account, per year</td>
</tr>
<tr>
<td>PAC: nonmulticandidate</td>
<td>$2,900* per election</td>
<td>$5,000 per year</td>
<td>$10,000 per year (combined)</td>
<td>$36,500* per year</td>
<td>$109,500* per account, per year</td>
</tr>
<tr>
<td>Party committee: state/district/local</td>
<td>$5,000 per election</td>
<td>$5,000 per year (combined)</td>
<td>Unlimited transfers</td>
<td>Unlimited transfers</td>
<td></td>
</tr>
<tr>
<td>Party committee: national</td>
<td>$5,000 per election**</td>
<td>$5,000 per year</td>
<td>Unlimited transfers</td>
<td>Unlimited transfers</td>
<td></td>
</tr>
</tbody>
</table>

*Indexed for inflation in odd-numbered years.
State PACs

• Every state has their own PAC rules.
• Important to engage with these PACs.
  • Great amounts of influence on state level.
• Many metropolitan and state Chamber of Commerce organizations have their own PACs.
  • i.e. Atlanta, Cleveland, and Detroit
How Influential Can PACs Be in Their Endorsements and Support?
Political Endorsements

• Political endorsements are when an individual, group, or organization comes out in support of a particular candidate or issue.

• Endorsements can mean:
  • Votes
  • Donations
  • Institutional Support
  • Media Coverage
PACs in Relation to Endorsements

• Like endorsements by influential people or groups, PAC endorsements can create a ripple effect for a campaign or issue.

✓ Votes
✓ Donations
✓ Institutional Support
✓ Media Coverage
PACs, Endorsements, and Ballot Initiatives

• In addition to candidates, PACs can influence the various ballot initiatives that exist throughout the country.

• Map Source: MultiState
PACs, Endorsements, and Ballot Initiatives

- Map Source: MultiState
Endorsement Strategy for Candidates

• You're looking for the best possible candidates to promote your organization's advocacy work.

• Just because a candidate aligns with your organization's mission doesn't mean you should endorse them.

• Things to Consider:
  • Other policy beliefs of the candidate(s) and whether that conflicts with the support base of the PACs support.
  • Conflicting PACs supporting that candidate?
  • Is the race competitive?
  • Will the candidate follow through on issue?
Endorsement Strategy for Initiatives

• Voters are deciding on a broad-based initiative that could be good or bad for your organization.

• Things to Consider:
  • What are the short-term/long-term effects that the initiative could have for your organization?
  • Could the initiative trigger other effects to happen?
  • How much should you invest in the ballot initiative?
  • Has the ballot initiative gone through in other states? What was the result?
Other Support from PACs

- PACs can organize more than just funds...
  - Organize volunteers to walk or canvass in your downtown/business district.
  - Educate other businesses and organizations about candidates on the issues.
  - Getting more actors and institutions involved will increase awareness and leverage for getting supportive candidates elected.
Examples of PAC Influence in Action
Example 1:

- LARP PAC is a multicandidate political action committee supporting the rights of live action role-players (LARPers) to expand federally-protected rights and national influence for them.
- Frank and Sue are running for Congress.
- Frank has come out in favor of policies supporting LARPers.
- Sue has been silent on the issue of LARP policies.
Example 1 Continued:

• Frank has won the endorsement and campaign funds from LARP PAC.

• $5,000 max from LARP PAC + Money from donors supportive of LARP PAC’s mission.

• Frank gets $50,000 total from the combination of LARP PAC’s donation and LARP-sympathetic donors.
Function of Nonconnected PAC

- Individual Donor Connected with PAC
- Individual Donor Connected with PAC
- Individual Donor Supportive, not Connected w/ PAC
- Political Action Committee Endorsing Candidate
- Political Candidate Supportive of Issue

Note: Arrows reflect donations.
Example 2:

- Toolworkers United PAC (TUPAC) is a political action committee that supports the union organizing efforts of toolworkers across the country.
- Beth and Luis are running for the state legislature.
- Beth has come out in favor of policies that are pro-organizing.
- Luis has come out against pro-union legislation.
Example 2 Continued:

• TUPAC throws their PACs support behind Beth.
• Other unions and union-sympathetic throw their support behind Beth as a result of TUPAC's endorsement, both directly and indirectly.
• The institutional support of the organizations helps increase the word of the Beth's campaign.
Political Candidate Supportive of Issue

Political Action Committee Endorsing Candidate

Advocacy Group

Individual Supportive of Organization

Advocacy Group

Political Action Committee Endorsing Candidate

Similar, Supportive PAC

Political Candidate Supportive of Issue

Green reflects PAC influence on others.

Blue reflects direct support from the PAC to campaign.

Red reflects additional campaign support.

Function of SSF PAC
Example 3:

• CurdUSA PAC is a Super PAC that reflects the interest of national cheese and dairy interests.

• Whitney and Lee are running for governor.

• As a minor policy issue, Lee has proposed the reduction of dairy products, such as ice cream and cheese, in school lunches, in favor of promoting more non-dairy options for food and drink.
Example 3 Continued:

- CurdUSA doesn't want to risk having dairy farmers lose potential revenue if that policy passes.
- A consortium of individual farmers, dairy corporations, and distribution companies fund the super PAC to run negative campaigns against Lee.
- A total of $500,000 was spent in negative ads against Lee without any input from Whitney's campaign.
Function of Super PAC

- Individual
- Corporation
- Advocacy Group
- Other Political Candidate
- Political Candidate Against Issue

Advertisements and Other Support Separate from Campaigns

Green reflects the campaign being helped.
Blue reflects support to SuperPAC and to issue.
Red reflects the campaign being harmed.
PACs and Endorsements at Work:
Greater Phoenix Chamber of Commerce
Relating to Advocacy

- PACs and political endorsements have leverage in fighting for your issues.
- Things you can do in your advocacy:
  - Invest in a PAC.
  - Keep up-to-date on advocacy PACs.
  - Start your own PAC.
Creating a PAC That Works For You

• Funding
  • Segregation of Funds (SSF).
  • Register with IRS.
  • Be mindful of the PAC limits.
Creating a PAC That Works For You Cont.

- How to choose PAC Board members:
  - Interested in government affairs.
  - Well-connected or is willing to make connections.
  - Can fundraise effectively.
  - Be bipartisan.
  - A team player.
Creating a PAC That Works For You

- Have something tangible for stakeholders.
- Comprehensive endorsement plan.
- Show how issue will be promoted.
- **BUT** focus on the big picture.
- Allegiance to the organization, not individual want or single policy.
Class Activity

• Draft your own PAC.
• Write down what your PAC will focus on.
• Think about all of your needs.
• Ask yourself, what tools might you need.
• Spend 5-7 Minutes on this exercise.
Resources from the Chamber of Commerce

• Regional government affairs conferences.
  • Advocacy and communications workshop put on by C of C
• Fly-ins
  • Chamber of Commerce will arrange for state business leaders and organizations to come to DC to meet with a state's congressional delegation.
Resources from the Chamber of Commerce

- Issue Briefs available on US Chamber website.
  - Provides information on current issues relevant to business.
- Campaign School and Leadership Training Programs
  - Learn how to get involved with a campaign with the Chamber.
Voter Education vs. Advocacy

• Educating voters
• Use campaign ads and mailers as an education vs. advocacy conversation.
Relating to Advocacy

• No matter if your advocacy is about general issues or specialized areas, PACs can have a great impact on pushing your issues into the forefront.
• How do you make your advocacy clear?
Advocacy Begins With Intent...

*Living Proof* by John Capecci and Timothy Cage.
Six-Word Reason

Objective: Briefly explain how you got here and why you’re an advocate (or are about to become one).

Use this exercise to:
- claim your identity as an advocate (if you’re just starting out).
- refocus your story (if you’re already speaking as an advocate).
- pinpoint the reason you’re telling your stories.
- find concise, effective language.
- generate headlines and hooks.

How short can a story be?
Frederic Brown is credited with the shortest horror story: “The last man on Earth sat alone in a room. There was a knock at the door.” Ernest Hemingway purportedly was once dared to write a story in six words. He penned, “For sale: baby shoes, never worn.”

For nearly fifteen years, the online storytelling magazine Smith (http://www.smithmag.net) has asked people to summarize their lives in six words. The Six-Word Memoir project spawned a popular book series that includes “terse true tales” of the human experience, including Johan Baumeister’s “Joined Army. Came out. Got married.”

In 2010, journalist Michele Norris began asking people to submit their six-word thoughts about race and cultural identity, which she turned into an online archive called The Race Card Project (http://www.theracecardproject.com).

It features candid contributions such as Laura N. Weston’s “I am both, not just one,” and Pauline Devlin’s “We joke, but it’s not funny.”

The Six-Word Reason exercise is our spin on the Hemingway, Smith, and Race Card challenges. We use this exercise to jump-start our Living Proof Advocacy workshops and focus advocates on their personal reasons for sharing their stories.

Here are a few examples:
"An art teacher changed my life."
—Jamaal, a board member for an organization that pairs artists with disadvantaged youth

“Bikes opened the world to me.”
—David, an advocate for a community-based cycling nonprofit

“I believe nobody should be hungry.”
—Roberta, an advocate for ending world hunger
What is Your Six-Word Reason?

• For the next three minutes, come up with your six-word reason for advocacy.
• Talk with the person next to you about each of your reasons.
• We’ll come back in 5-7 minutes.
Why the Six-Word Reason?

• Like with PACs, creating a simple and straight-forward reason for your intentions helps clarify your path and puts you on a track to accomplish your advocacy goals.
What We Learned

This course taught you the following objectives:
• Addressing ballot initiatives and referendums.
• Creating and maintaining a PAC.
• Building an airtight endorsement strategy.
Thank You!