What is a PAC?

The important role that a political action committee (PAC) can have in an organization is often underestimated. Confusion frequently stems from unfamiliarity of the definition of a PAC and its responsibilities. At ADPAC, we want to ensure that our members are informed of this critical component of our political affairs activities.

First and foremost, a PAC is a group of individuals who voluntarily pool their resources to provide financial support for candidates for elective office who share the group’s interests and concerns about legislative issues. Any group of U.S. citizens can decide to act together by forming a PAC.

By law, associations like the ADA are prohibited from providing direct political support in the form of corporate dollars to fund elections, and most states have similar restrictions. For this reason, the federal and state election commissions allow PACs to be used as a means of providing individuals who share common interests a way to leverage their financial support for candidates who they support. The dollars used to fund candidate campaigns come from members, not from the organization itself.

PACs By the Numbers:

- There are over 4,500 federal political action committees actively supporting elections, more than 2,000 of which represent membership and business interests like the American Dental Association, National Restaurant Association, National Association of Realtors and Major League Baseball.
- The average contribution an association PAC makes to a U.S. House candidate is approximately $2,700 per election, while the average U.S. House election costs more than $2 million to implement.
- Fewer than one percent of the voting age population gives to political action committees and candidate campaigns.
- Combined, all federal PAC contributions represented some $450 million in campaign funds to federal candidates during the 2012 election cycle, while these same PACs raised $1.4 billion during the same period.

It is important to keep in mind that our state and federal laws affect all of us every day, and ADPAC plays a critical role in advocating for our issues at the federal level, working toward positive results for dentistry and health care.

The History of PACs: How and Why They Were Established

In the years since PACs were first implemented as a means of providing financial support to incumbents and candidates for public office, many laws and reforms have set the standards for political action committees (PACs) as we know them today. Reforms have created guidelines, established limits and moved PACs away...
from unlimited spending to support candidates toward highly regulated, fully disclosed entities. A few of the key milestones in the reformation of PACs are listed below.

- The Tillman Act of 1907 prohibited corporations from making monetary contributions to federal elections, thus generating the need to establish a means of providing financial support: political action committees.
- The Federal Election Campaign Act (FECA) of 1971:
  - Codified PACs into federal law and provided a defined framework;
  - Contained language outlining contribution guidelines, ensuring contributions were non-partisan and voluntary; and
  - Defined allowable activities for PACs, such as communicating with employees or members, initiating get-out-the-vote campaigns and soliciting contributions from employees or members.
- The FECA Amendments of 1974:
  - Limited campaign contributions and disbursements to $5,000 per election per federal candidate; and
  - Established the Federal Election Commission, which oversees financing of federal elections.
- In 1976, a ruling in the Supreme Court, *Buckley v. Valeo*, brought about the FECA Amendments of 1976, which:
  - Redefined the eligible class, or individuals who can be solicited by a PAC; and
  - Reemphasized contribution limitations, increasing the limit for individual contributions to PACs to $5,000 per year.

*Buckley v. Valeo* was significant for another reason as well. The Supreme Court upheld that contributions to political campaigns from PACs and individuals have the same standing under the First Amendment to the U.S. Constitution as any other form of free speech.

Over the years, the FEC and Congress have made a number of reforms to the campaign finance system through rules and opinions that shored up the collective strength and place for PACs in campaigns. More than ever before, PACs play an important role in American democracy, helping elect candidates running for office.