



## Economic Predictors of Business PAC Fundraising — A 30-Year Analysis: 1995–2024

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**THE CENTRAL QUESTION:** Does the economy predict how much business PACs raise? Does inflation hurt fundraising? Does party control matter? PAConomics analyzes 30 years of business PAC receipts against eight economic and political variables to find out.

*Based on FEC & FRED Data from 1995-2024*

<b>300</b> Business PAC Committees	<b>15</b> Election Cycles, 1996–2024	<b>\$4.0B</b> Total Receipts Analyzed	<b>+272%</b> PAC Growth, 1996–2024	<b>8</b> Economic Variables Tested
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### CENTRAL FINDING

**Business PACs raise more when policy stakes are high — not when the economy is strong.**

After removing the long-run growth trend from both series, GDP inverts to  $r = -0.84$  ( $p < 0.01$ ). Economic uncertainty — not prosperity — drives political investment.

### KEY FINDINGS

<b>+272%</b>	<b>30-Year Growth — But Momentum Has Stalled</b> \$96M→\$356M (1996–2024). Growth rate: +19.7% pre-2010, just +3.1% since. Double-digit growth era is over.	<b>INVERTS</b>	<b>GDP Signal Flips After Detrending</b> Raw $r = +0.88$ is spurious (shared trend). Detrended $r = -0.84^{***}$ . Above-trend GDP predicts below-trend PAC fundraising.
<b><math>r = -0.52</math></b>	<b>Inflation: Moderate Negative Effect</b> Near-zero raw turns moderate-negative after detrending. 2022 — peak inflation 6.4% — produced the only PAC decline in 30 years (–6.3%).	<b><math>r = +0.01</math></b>	<b>Party Control: Zero Predictive Value</b> Republican or Democrat — makes no difference. Business PACs are bipartisan access vehicles driven by policy stakes.
<b>–6.3%</b>	<b>2022: Only Decline in 30 Years</b> Corporate PACs fell –\$26M; trade/member org PACs held flat. Causes: inflation pressure, Super PAC crowding, reduced urgency.	<b><math>r = -0.54</math></b>	<b>Deregulatory Legislation: Timing Effect</b> Inversely associated with PAC growth ( $p < 0.05$ ). Business mobilizes BEFORE policy wins, then moderates after victory.

### FULL CORRELATION SCORECARD

Variable	Raw $r$	Detrended $r$	Signal
GDP vs. Total PAC	+0.88 <sup>***</sup>	–0.84 <sup>***</sup>	STRONG ↓
PCE vs. Total PAC	+0.88 <sup>***</sup>	–0.81 <sup>***</sup>	STRONG ↓
Inflation vs. Total PAC	+0.02	–0.52 <sup>**</sup>	MODERATE
Unemployment vs. Total PAC	+0.10	+0.46 <sup>*</sup>	MODERATE
Deregulatory Legis. vs. PAC	–0.54 <sup>**</sup>	–0.21	MODERATE
S&P 500 Returns vs. PAC	–0.05	–0.26	NO SIGNAL

\*\*\*  $p < 0.01$  \*\*  $p < 0.05$  \*  $p < 0.10$  | Detrended = long-run time trend removed from both series |  $n = 15$  cycles

## THREE-FACTOR PREDICTIVE FRAMEWORK

PAC fundraising tends to outperform its trend when all three conditions are present:

01

### Economy Underperforms its Long-Run Trend

When GDP and PCE grow more slowly than their historical average, businesses face elevated uncertainty. This is the primary driver of increased PAC mobilization.

02

### Policy Environment is Contested

An active legislative calendar in tax, regulation, trade, healthcare, or energy raises the stakes of political engagement and motivates PAC investment across industries.

03

### High PCE Baseline Entering the Cycle

Prior-cycle consumer spending is the strongest leading indicator (raw  $r = +0.91$ ). Strong consumer spending heading into a cycle predicts larger PAC receipts.

## 2026 CYCLE OUTLOOK

Factor	Status	What it Means for 2026
Factor 1: Economic Trend	WATCH	Mixed signals. Tariff uncertainty and potential slowdown bear watching. Monitor quarterly GDP vs. 10-year average.
Factor 2: PCE Baseline	FAVORABLE	2024 PCE was the dataset high (~\$19.4T). Strong entering baseline supports above-trend fundraising.
Factor 3: Legislative Agenda	HIGHLY ACTIVE	TCJA, trade, energy, financial services all actively contested. High-stakes environment.

**ASSESSMENT:** 2 of 3 factors favor above-trend PAC growth in 2026. Economic trajectory is the key wildcard.

## STRATEGIC IMPLICATIONS FOR PAC PROGRAMS

- Lead with policy stakes.** Frame your donor ask around the legislative agenda and what is at risk — not corporate earnings or economic conditions.
- Build capacity during boom times.** Above-trend economic cycles are your hardest fundraising periods. Invest in relationships when urgency is low.
- Stay genuinely bipartisan.** Party control has zero predictive value. Build on committee access and policy proximity across both parties.
- Address the structural slowdown.** The 20%-per-cycle growth era is over. Make the affirmative case for connected PACs vs. Super PAC alternatives.
- Run the 3-factor check every cycle.** Use economic trend, PCE baseline, and policy environment to set defensible, data-informed fundraising goals.

## WHAT'S NEXT FOR PACONOMICS

### PHASE 1

#### Industry-Level Analysis

Run PAConomics separately for financial services, energy, healthcare, technology, and other key sectors.

### PHASE 2

#### Super PAC Data Integration

Incorporate Super PAC and 501(c)(4) spending to measure total business political investment.

### PHASE 3

#### Predictive Indicators for the Marketplace

Build a multiple regression model generating cycle-specific fundraising forecasts for PAC managers.