

# “Opposition to PACs puts 2020 Democrats in a bind” - The Hill

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By: Bert Gómez



By Alex Gangitano

Democratic presidential candidates refusing to take PAC money may be forced to pinch pennies to survive in a crowded primary race where top-tier contenders like Sen. Bernie Sanders (I-Vt.) and former Rep. Beto O'Rourke (D-Texas) have the ability to raise tens of millions in small donations.

The pressure to swear off all PAC money is more intense in this Democratic campaign season than ever before, but it will leave more than a dozen candidates scrambling to keep their campaigns afloat.

First-quarter fundraising totals will be released on April 15, and the top-tier campaigns are competing with one another to put out impressive numbers — which tend to attract more money for those who show they can raise it while potentially turning off the spigot for those who can't.

Veteran fundraisers say loopholes can be found to bring in more money, but that risks criticism for being too close to interest groups.

“Any Democrat who's going to say, ‘I'm not going to take PAC money,’ but turns around and takes a check from a CEO that runs a PAC is probably running the risk that somebody's going to put two and two together. Since all this stuff is a matter of public record, eventually people are going to figure that out,” Ken Kies, managing director of the Federal Policy Group, told The Hill.

The Federal Election Commission quarterly reporting deadline was Sunday. The names of all contributors, including corporate CEOs and other executives, will be made public in mid-April.

O'Rourke, Sen. Elizabeth Warren (Mass.), Rep. Tulsi Gabbard (Hawaii), former Housing and Urban Development Secretary Julián Castro and entrepreneur Andrew Yang all have declared they will not accept any PAC money.

“It's always struck me as a little bit strange that Democrats think PACs are bad when, in many respects, it's a bunch of small donors getting together to have a little bit more of an impact on what they do,” said Kies, who raised \$100,000 for George W. Bush in 2004.

Many White House contenders are distancing themselves from the PAC culture in hopes of displaying their liberal bona fides, and critics of PACs argue that small-dollar donations are a better sign of a candidate's popularity and longevity.

Many point to 2016, when small-dollar donations skyrocketed for Sanders and President Trump.

More recently, Sanders raised an impressive \$18.2 million during the first quarter of 2019.

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His campaign said that amount included about 900,000 individual donations with an average contribution size of \$20 and that 525,000 individuals donated money to the campaign.

Due to that success, PAC money doesn't carry the same influence it once did, according to some advocacy groups.

"The whole value of D.C. fundraising has been diminished considerably, both in the era of super PACs and online fundraising," Stewart Verdery, CEO and founder of Monument Advocacy, told The Hill. "PAC money isn't nearly as important as it used to be."

Former President Obama made running against K Street and rejecting corporate money a centerpiece of his 2008 campaign. Four years later he persuaded the Democratic National Committee (DNC) to restrict donations from lobbyists.

But the DNC rolled back those restrictions in 2016, allowing former Secretary of State Hillary Clinton to raise \$1.2 billion from super PACs alone in her failed White House bid.

Corporate PACs are funded by employees of a company and the business's lobbyists, a PAC designee or a PAC board that decides which candidates receive the money.

When corporate PACs are shunned by White House hopefuls, it's not uncommon for a candidate to still seek money from the company's executives. As a workaround, the candidate often asks the business's in-house lobbyists to get a personal check from executives at the firm.

Candidates can also pick and choose which companies they want to accept checks from, as opposed to swearing off all companies. The National Rifle Association and tobacco companies have long been disavowed by Democrats, and this year oil companies are likely to be relegated to the sidelines as more candidates focus on environmental issues.

**"You're not forced to take a particular corporate PAC check. You can be selective based on factors such as employees in districts or investments in community," said Bert Gómez, senior corporate and government relations director at Becker who launched a corporate PAC in 2007. "There are members that do not take checks from certain industries. Just because you take from one corporation doesn't mean you have to take from all."**

Catherine McDaniel, president of the National Association of Business Political Action Committees, calls employee-funded PACs the "most transparent money in

politics” and one that lets “many working Americans engage in the political process.”

“Employee-funded PACs tend to be largely nonpartisan and encourage participation in the political process,” McDaniel told The Hill. “They educate their members about legislation that affects their industry.”

She said disavowing that kind of PAC money sends a negative message to workers.

“When candidates say they won’t accept employee-funded PAC money, many who contribute to employee-funded PACs hear, ‘Your voice is invalid because of where you work,’ ” she said.

Candidates who reject PAC money also run the risk of alienating groups looking to advance progressive policies.

Michael McBride, a pastor in Oakland, Calif., who started the Black Church PAC in 2017, said his group donates to candidates who focus on urban gun violence prevention, environmental issues, ending mass incarceration and addressing voter suppression.

He views the PAC as a means of engagement for his community.

“I think it would be a mistake to walk away from these newly structured containers unless you have a better option or better vision of how to get these resources to the ground,” McBride told The Hill.

“There has to be this conversation among progressives and the Democratic Party. What does it mean to actively invest in the leadership of black women, black folks, black religious institutions that can help the party actually meet this kind of challenge of enthusiasm and turnout? And unless we have containers that specialize in that, then we’re just leaving it up to a lot of folks to do the work who have historically failed,” he added.

Lobbyists predict that some candidates may change their tune on PACs as the election progresses and as competition intensifies for campaign contributions.

“By the summer, people are going to be looking at these campaigns and deciding, ‘Do they have the ability to finance a vigorous, long primary campaign with the organization in the early states that matter?’ ” said Kevin Kelly, co-leader of Clark Hill’s government and public affairs practice.

Fundraising numbers in the coming months will be pivotal, he said, and that’s when some candidates might revise their initial positions on PACs.

“For the candidates who don’t have broad-based grass-roots appeal where they can raise millions of dollars online in small-dollar amounts in relatively quick periods of time, like Sen. Sanders has obviously demonstrated, I think these candidates will have to ask themselves, ‘Will the small-dollar donors come back?’ ” Kelly said. “They will then need to reevaluate whether they want to tap political action contributions.”

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