

PACs and Election Politics



ECONOMICS FOCUS Political action committees, or PACs, exist solely to raise and spend money in order to help elect a certain candidate to office.

As you read, note how PACs have grown in number and influence since the 1970s. They are a fixture in the American political process today.

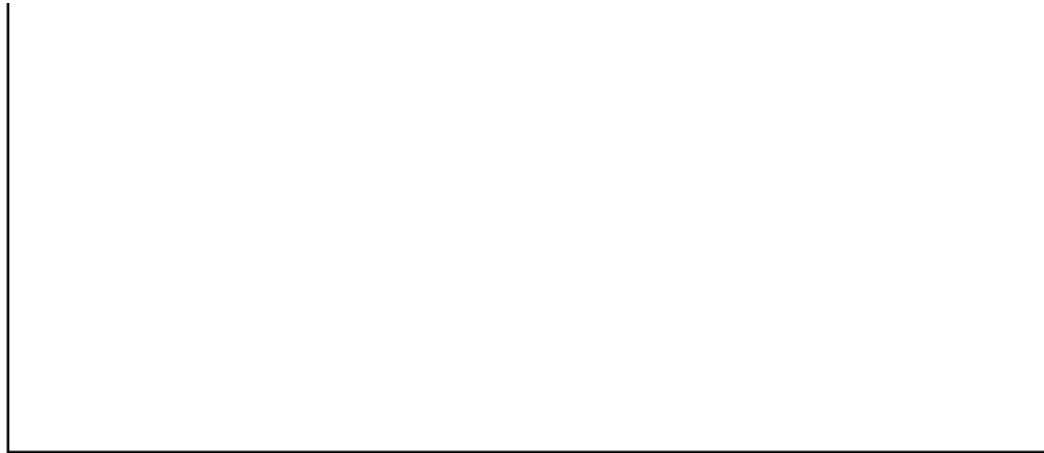
Political action committees were invented in the 1940s by labor unions that wanted to give money to candidates they favored in elections. Campaign finance laws formally recognized PACs in the early 1970s. Since then, the variety and influence of PACs has grown rapidly. Today corporations, trade associations, and many types of interest groups have PACs as well.

In 1974 about 600 PACs gave \$15 million to candidates. Ten years later, about 4,000 PACs existed, contributing some \$113 million to the elections process. The number of PACs has remained relatively stable since then. However, the amount of their contributions has steadily climbed.

A PAC with at least 50 contributors may give up to \$5,000 to each candidate in a primary election and another \$5,000 to each candidate in a general election. PACs may also contribute \$15,000 per year to a national political party and a total of \$5,000 to state and local parties. Many PACs spend additional monies to help defeat candidates they oppose.

PAC Contributions to Federal Candidates, 1979–2006			
Years	Total Contributions	Years	Total Contributions
1979–1980	\$60,000,000	1993–1994	\$189,000,000
1981–1982	\$88,000,000	1995–1996	\$217,000,000
1983–1984	\$113,000,000	1997–1998	\$220,000,000
1985–1986	\$140,000,000	1999–2000	\$260,000,000
1987–1988	\$159,000,000	2001–2002	\$282,000,000
1989–1990	\$159,000,000	2003–2004	\$311,000,000
1991–1992	\$189,000,000	2005–2006	\$141,000,000

Use the data from the table to graph the increase in PAC contributions in elections from 1979–2006. Label the horizontal axis with the years given in the table. Label the vertical axis from \$50,000,000 to \$350,000,000 in \$50,000,000 increments. Plot the amount for each election cycle and connect them to create a line graph of PAC contributions. Then answer the questions that follow.



ANALYZING ECONOMIC DATA

1. Based on the graph, between what two election cycles was the rise in PAC contributions the greatest?

2. By how much did PAC contributions increase between the 2000 and 2004 presidential elections?

3. Look at the text and the table. How does the growth in the number of PACs between 1974 and 2004 compare to the growth in total contributions during that same period?

4. **Critical Thinking: Predict** Why might some people be concerned about the influence of PACs on elections and on the political process?

