THE HARD DOLLAR INDEX

The inaugural benchmark for connected PACs' real hard dollar capacity

Built on public FEC, BLS, and Philadelphia Fed data. Every figure recomputes from the source.

Contents

Foreword: Explaining How PACs Raise More Yet Impact Less

Nominal receipts are no longer a sufficient performance metric for the connected PAC.

A committee can raise more dollars than it raised in 2016 and still hold less real hard dollar capacity, because the $5,000 multicandidate limit has not moved since 1976 while the dollar shrank and the candidate market more than doubled. The standard annual report sees none of this. It compares current-dollar receipts across cycles as though the value of the dollar and the size of the candidate market were stable. Neither is.

For fifty years, the profession has kept score with a single question, asked at the close of every cycle: did we raise more than last time? It is a fair question, but also the wrong instrument. When the year-end total clears the prior cycle, the program is called healthy, the board nods, and the model goes unexamined. The number flatters, and the flattery is sincere. It is simply describing the wrong thing: dollars raised, counted as though a dollar in 2024 carries the weight it carried in 2016.

Other professions have lived through this discovery. Baseball spent a century certain its oldest statistics measured what won games, and the clubs that kept faith with those numbers paid more to win less than the clubs that did the harder arithmetic. That is the only sense in which this is a Moneyball story: a trusted scoreboard priced the wrong thing, and once the better metric proved itself, the whole field adopted it.

The Hard Dollar Index supplies that metric for the connected PAC profession. This new instrument reads one quantity, the same way every cycle: whether a leading committee's current receipts, restated in the dollars of a fixed base year, still exceed what it raised in that base year. It uses the Federal Election Commission's own rankings and filings and a single published price index, with no model and no proprietary data, so any committee can recompute its own reading.

On that measure, 66.1 percent of today's leading connected PACs, 179 of the 271 committees the FEC's tables identify, hold less real value than they did in 2016. The finding is not that these leading PAC programs are badly run; the committees measured here are, on the whole, disciplined and well managed. The finding is that the metric most use can certify real decline as growth, and it does so most reliably inside the PACs most reassured by their own nominal totals.

The Index also prices the next miss. **The PAC's Waterline rises with the price level every cycle, so a plan written in nominal dollars can lock in a decline before the cycle begins.** On the Index's central inflation path, built from the published Philadelphia Fed forecast, holding 2024 real value through 2036 takes roughly a third more in nominal receipts.

The implication for effective PAC evaluation is immediate: no connected-PAC board should review nominal receipts alone. **Instead, annual reports and strategic planning processes must replace the single number with five lines: nominal receipts, Hard Dollar Waterline, False Growth flag, Candidate Footprint, and Tread Water Target.** The rest of this report defines those lines and reports the 2026 reading.

The first step is not a new program. It is a new measurement, one that reads the PAC's performance within its frozen limits against a marketplace where every other number is indexed or growing. The program decision follows from it: preserve the governed, connected PAC as the baseline, and build candidate-direct giving as the indexed channel that the frozen limits cannot supply.

EXHIBIT 1 **The 2026 Hard Dollar Index at a glance.**

66.1%

179 of 271
leading connected PACs below their 2016 Waterline

78.7% / 226 of 287 on the harder 2016-leader count

154
nominal growers

62
of them underwater in real terms (False Growth)

27.6¢ to 12.2¢
Candidate Footprint

139
in the quiet-erosion band

+33%
central-path tread water tax by 2036

nearly **$415M**
combined 2036 shortfall

What Changes Now

The Index changes the PAC evaluation question. The old question was whether the PAC raised more nominal dollars. The new question is whether the PAC preserved real hard dollar capacity, and whether it has a growth path that is not trapped under the frozen $5,000 cap.

Run the Waterline.

Every committee compares its current receipts with its own inflation-adjusted baseline, not merely with the prior cycle's nominal total.

Rebuild the annual report.

Nominal receipts sit beside the Hard Dollar Waterline, the False Growth flag, the Candidate Footprint, and the Tread Water Target.

Build the second engine.

The connected PAC remains the governed baseline. Indexed candidate-direct activation (using counsel-approved program design) becomes the compounding growth layer the frozen limit cannot supply.

The rest of this report proves the need for the shift and gives every committee the benchmark to apply it.

The Hard Dollar Waterline: The Number the PAC Annual Report Has Never Shown

A PAC's Hard Dollar Waterline is the amount it must raise in the current cycle to equal the real value of its prior benchmark. It is the line that separates raising more from preserving weight.

The formula. The 2024 Waterline is 2016 receipts multiplied by 1.30700, the change in the Bureau of Labor Statistics CPI-U annual average between the two cycles, from 240.007 in 2016 to 313.689 in 2024. Clear that line and the PAC preserved or grew real value; fall below it, and the committee can raise the same dollars and command less. Receipts means total receipts as reported by the FEC in its PAC summary tables for the six connected-PAC categories, on its 24-month cycle basis. The Index reads receipts rather than contributions to candidates because it measures the real value of the fundraising engine, not the committee's allocation choices.

A single worked example fixes the method. A committee that raised $4.0 million in 2016 needed $5.2 million in 2024 to hold its ground. Suppose it raised $4.6 million. The nominal report shows growth of 15 percent, a good result by the legacy dashboard. The Hard Dollar reading shows it is 12 percent below its own Waterline. The same PAC, in the same cycle, on the same filings, is a nominal grower or a real-dollar decliner depending entirely on which number the board is shown. The Index records that verdict as False Growth: nominal receipts up, real receipts below the Waterline.

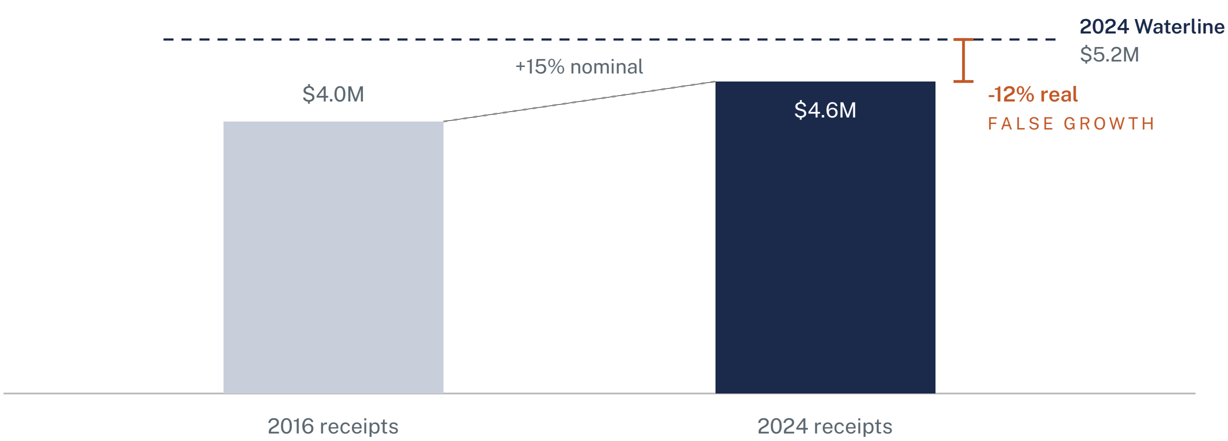
The Waterline does nothing exotic. It applies to political fundraising, the inflation adjustment that every serious longitudinal financial comparison already uses. A PAC that would never compare this year's budget to a decade-old operating budget without inflationary adjustments has been doing exactly that with its own receipts every cycle, and calling the unadjusted result performance.

For most institutions, that adjustment is good hygiene. For the connected PAC, it is the measurement itself. Everything a PAC is measured against floats: candidate budgets, media prices, the indexed limits of the individual donor, and the party. The numbers that define the PAC do not. What a donor may give it and what it may give a candidate are both fixed in nominal dollars, and an organization whose defining limits are frozen while every number around it floats cannot read its position in nominal dollars: the real value of its maximum check, and of every donor's maximum gift, falls with each year of inflation, and the nominal report shows none of it.

For the PAC, the Waterline is not a refinement. It is the only ruler that reads true.

EXHIBIT 2 **Same filings, opposite verdict.**

A 15 percent nominal gain reads as a 12 percent real loss once the Waterline is applied.



Source: illustrative committee; CPI multiplier 1.30700 (BLS CUUR0000SA0).

The 2026 Reading: Two of Every Three Leading PACs Are Below Their Waterline

The inaugural reading covers 271 leading connected PACs. The cohort is mechanical: the largest committees by 2024 receipts in each of the six sponsor categories the FEC reports, up to the top 50 in each category (the smallest categories list fewer), after excluding committees with no 2016 receipts to compare against and the publisher's own connected PAC.

Together, those six categories raised over $1.1 billion in the 2024 cycle; these are the committees the rest of the field benchmarks against. Each is compared with its own 2016 baseline restated into 2024 dollars. For committees that rose into the leading tier after 2016, baselines were recovered from openFEC and verified against primary FEC records.

Six findings carry the reading.

The first is the headline. Measured against their own inflation-adjusted 2016 baselines, 66.1 percent of today's leading connected PACs hold less real value than they did in 2016; 179 of 271 are below their own Waterline. Two of every three leaders are underwater in real terms, and the standard metric shows none of it, because the nominal totals kept rising.

The second finding is that 66.1 percent is the conservative count. There are two honest ways to assemble a cohort of leaders, and the Index reports both. Counting today's leaders is the gentler count, because they are disproportionately survivors, the programs that did not shrink out of the top tier. Following instead the committees that led in 2016 forward to 2024, including the ones that faded, raises the underwater share to 78.7 percent, 226 of 287. The 214 committees that led in both years sit between the two counts, at 73.8 percent underwater. The Index leads with the conservative figure by design. The constructions disagree about degree, not direction: roughly two-thirds on the gentlest count, nearly four-fifths on the hardest.

The third finding should change how a PAC reads its own report. The danger is not in the PAC that visibly shrank. It is hidden inside the PACs that grew. Of the 271 leaders, 154 raised more nominal dollars in 2024 than in 2016, nearly three in five growing on paper. Of those 154, 62 are below their real Waterline. Together they booked $28.0 million in nominal gains and sit $28.8 million below their real baselines. The hole is larger than the gain.

The fourth measures the PAC's standing in the market it funds. Between 2016 and 2024, House and Senate candidate spending more than doubled while PAC dollars to those candidates rose about 2 percent. The share of candidate spending supplied by PAC contributions, the Candidate Footprint, fell from 27.6 cents on the dollar to 12.2 cents. The contribution was made but became a smaller share of what the candidate spent.

The fifth tempers the rest, and most committees will recognize themselves in it. Of the 271 leaders, 139 sit in the quiet-erosion band: below their real-dollar line but not below half its value, losing ground in a way no nominal report will flag. Another 40 sit deeper than half, while 92 committees held or grew their real value. The common condition is neither triumph nor failure but a slow erosion that compounds while the legacy dashboard reads steady.

The sixth is the forward price, and it is two numbers, not one. Only 45 of the 271 leaders already raise enough to clear the 2036 restatement of their 2016 baseline; the remaining 226 of the 271 stand nearly $415 million short of that line at 2024 receipt levels. And holding 2024 real value to 2036 takes roughly a third more in nominal receipts from every committee. The bar does not pause while a program decides whether to clear it.

Two features make the reading a floor, not a ceiling. The cohort is the leadership, so whatever pressure shows here is gentler than the pressure on the programs ranked below, which is why the 2016-leader count runs higher, not lower. And every figure comes from the committees' own FEC filings, restated by one published price index.

False Growth: 62 Committees Grew on Paper and Lost Ground in Reality

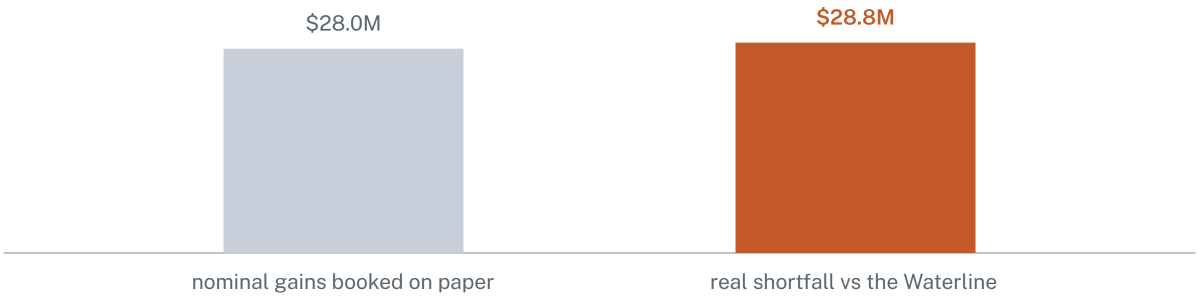
A PAC that lost nominal dollars knows it has a problem; it sees the smaller number and asks why, and annual reporting works as intended, because metric and reality agree. The danger is in the cases where they disagree, where the number on the page rises while the capacity behind it falls. Those PACs get praise where they need scrutiny, and the praise is sincere because everyone is reading the metric correctly. The metric is wrong about the PAC's underlying health.

The Index measures how often this happens among the leaders. Of the 154 PACs that raised more nominal dollars in 2024 than in 2016, 62 fall below their own Waterlines. **Two of every five apparent growers have fallen behind in real terms. They did not coast; they raised more than they did eight years earlier and still lost ground, and nothing in their year-end reporting could have told them so.** The aggregate sharpens it: the same 62 PACs put $28.0 million of nominal gains on the books while standing $28.8 million short of their real baselines. Every standard benchmark survey would call this set of PACs winners. The false positive survives because it does not look like an error. It looks like a result, and results are not audited the way errors are.

The correction is one adjustment, applied consistently to numbers a PAC already files, separating the programs that grew from the programs that only appear to have. False Growth is the inaugural reading's central finding, and the reason a real-dollar benchmark is not a refinement of the legacy dashboard but a replacement for the one number PACs have trusted longest.

EXHIBIT 3 **The hole is larger than the gain.**

Among 154 nominal growers, 62 are underwater; booked gains are exceeded by the real shortfall.



Source: FEC PAC summary tables; real value vs each committee's 2016 Waterline (CPI 1.30700).

Quiet Erosion: The Common Condition Is Slow Real Loss the Report Cannot Show

Underwater sounds like collapse, and for most programs, it is nothing of the kind. The quiet-erosion band is defined mechanically: below the 2016 real-dollar line, but by less than 50 percent in real terms. Of the 271 leaders, 139 sit in that band, 40 have fallen below half their 2016 real value, and 92 have held or grown.

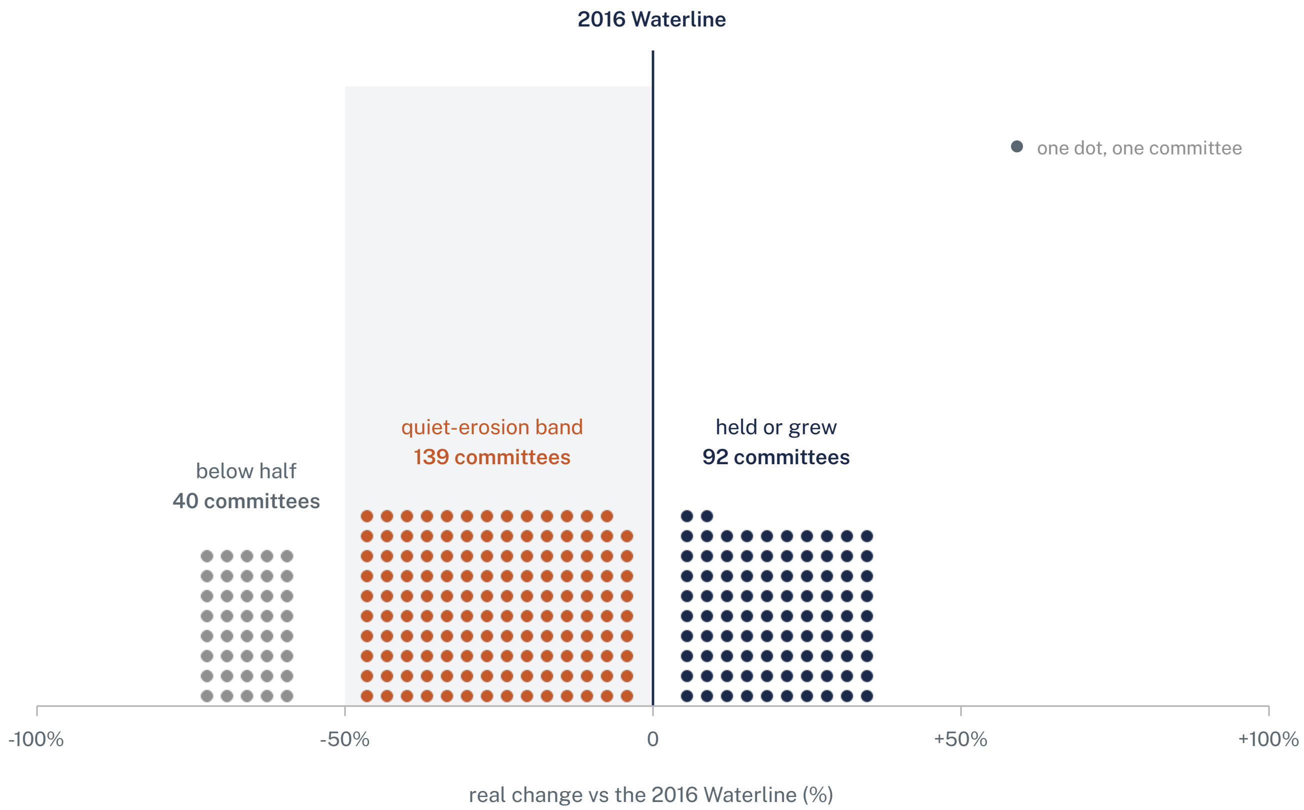
The largest group is neither winners nor casualties. They are the broad middle of a strong field, hitting their nominal targets, clearing last year's total, and slipping against a ruler nobody handed them, in increments too small to register in any nominal report and large enough, compounded across cycles, to open a real gap without one alarming year.

The erosion is not a referendum on effort or competence. It is the predictable result of measuring a moving target with a fixed yardstick, a ceiling frozen in 1976 meeting a candidate market that more than doubled since 2016. **A PAC can meet every goal it sets and still drift below the Waterline because the goals were set in the wrong currency.** The drift is the frozen structure's, not the staff's. Catching the drift while it is manageable is the whole practical value of measuring it. A gap caught early is a planning adjustment a PAC can make in one cycle. The same gap caught late is a turnaround that may take several, if it can be reversed at all.

EXHIBIT 4

Most programs are not collapsing. They are quietly eroding.

139 of 271 sit below the 2016 line but not in free fall; 92 held or grew.



Source: FEC PAC summary tables; 271 leading committees, real change vs the 2016 Waterline (axis clipped at ±100%).

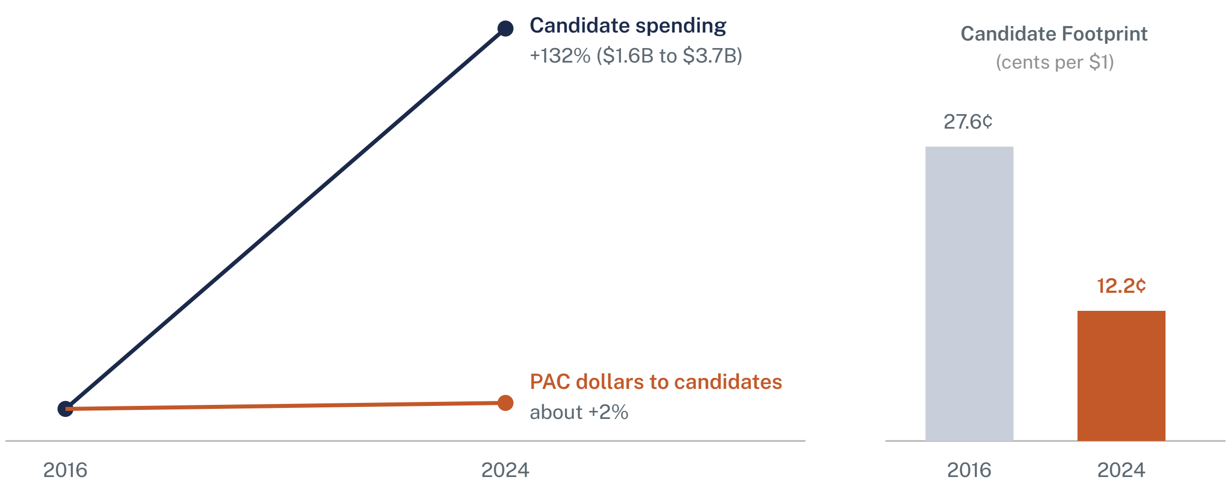
The Shrinking Footprint and the Frozen Cap: The Market Repriced Everything but the PAC's Check

Real purchasing power is only half of what the hard dollar lost. The other half is position. The Candidate Footprint is a market-level indicator: all FEC-reported PAC contributions to House and Senate candidates, not only the 271 committees scored here, measured as a share of what those candidates spent. Between 2016 and 2024, the numerator rose by about 2 percent, while candidate spending rose by 132 percent, from roughly $1.6 billion to $3.7 billion. So the footprint fell from 27.6 cents of every dollar those candidates spent to 12.2 cents, a decline of more than half in eight years, not because PACs gave less, but because the market grew around a check that legally could not keep pace.

The footprint is a distinct reading from the Waterline. The Waterline asks whether a program preserved its own real value; the footprint asks whether it preserved its standing in the contest it exists to influence. **A program can clear the first test and lose the second decisively.** A contribution once better than a quarter of what a candidate spent, now about an eighth, carries less practical weight in the campaign's planning, even when the check itself still matters.

EXHIBIT 5 **The market doubled. The PAC footprint halved.**

Candidate spending rose 132 percent while PAC dollars to candidates rose about 2 percent.



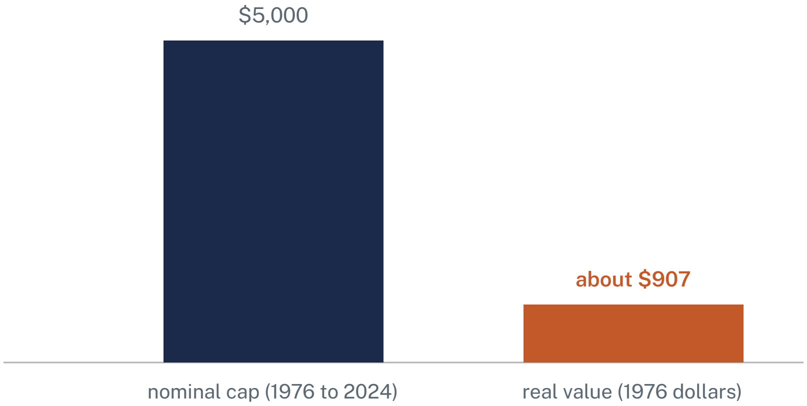
Source: FEC Congressional Candidate Table 1 and PAC Table 2 (House and Senate only).

Underneath both readings sits the one fact no program can manage around. The $5,000 multicandidate PAC-to-candidate limit has not moved since 1976, and Congress has never indexed it. Adjusted for inflation, the cap is worth about 18 cents on the 1976 dollar, roughly $907 in the purchasing power the limit carried when it was written; delivering what $5,000 delivered to a candidate in 1976 now takes more than $27,000. A PAC can run the best program in the profession and still cannot give a candidate one dollar more than the statute allows. Inflation is not the PAC's fault. Not adjusting for it is the statute's, and a statutory ceiling is not a management problem with a management solution.

And, of course, the freeze runs on both sides of the PAC. The donor's contribution to a PAC is capped at $5,000 a year, and the multicandidate PAC's contribution to a candidate is capped at $5,000 per election. Both were set in the 1970s, and neither has ever been indexed. This is why real dollars matter more for the connected PAC than for any other vehicle in candidate finance: a PAC cannot offset inflation by asking its donors for larger checks, and it cannot concentrate its response in larger contributions, because both ceilings are frozen. Inside the PAC, the only growth lever the statute leaves is the number of donors. The tread water tax is paid in donors, not in check size.

EXHIBIT 6 **A $5,000 cap, about $907 in 1976 value.**

The multicandidate PAC-to-candidate limit has not moved since 1976; the dollar under it shrank.



about 18 cents on the 1976 dollar

more than $27,000 needed today to match what $5,000 bought in 1976

Source: FEC contribution-limit history; BLS CPI-U.

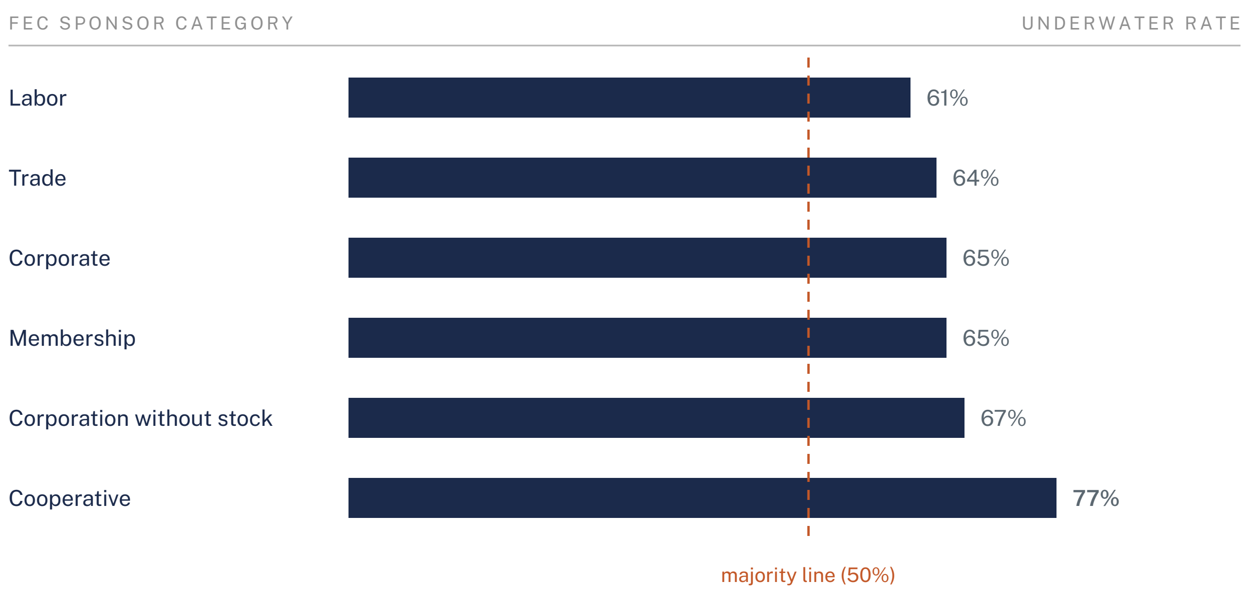
The law around the cap keeps moving while the cap itself does not. The individual donor's limit is indexed by statute and adjusted by the Commission each cycle. On June 30, 2026, the Supreme Court struck down the federal limits on coordinated party spending. This report does not model that decision. The party channel already shows the direction: a multicandidate PAC may give $15,000 a year to a national party committee's general account, frozen, while an individual may give $44,300, indexed and rising, roughly three times the PAC's ceiling. Every channel around the connected PAC has been repriced upward by indexation or litigation, and the PAC's check stands where Congress set it in 1976.

No FEC Category Escapes the Waterline

The FEC reports connected PACs in six sponsor categories, and every category is majority-below-Waterline, from 61 percent in labor to 77 percent among cooperatives. That closes the escape hatch: this is not a corporate PAC problem, a labor PAC problem, or a trade-association problem. It is a connected-PAC hard dollar problem.

EXHIBIT 7 **No FEC category escapes the Waterline.**

Every FEC sponsor category is majority-below-Waterline. The segment view is the control check.



Source: FEC PAC summary tables, six connected-PAC sponsor categories. Universality control check only.

The natural way to dismiss the finding is to assume it is an artifact of one kind of sponsor. The breakdown tests that assumption, and it does not survive; the spread between the lowest and highest category is a matter of degree. The segment view is the control check.

The Forward Waterline: Only 45 of 271 Already Clear the 2036 Bar

The Waterline is not a line that a program clears once. It rises every cycle, because the price level does, and the Index prices that rise in advance with two distinct forward numbers. They answer different questions and should never be read as one.

The Forward Waterline is the 2036 restatement of a committee's 2016 baseline: 2016 receipts carried forward to 2036 dollars on the Index's central path, built from the Philadelphia Fed Survey of Professional Forecasters median CPI forecast of 2.40 percent. It asks whether the program's current engine already clears the bar the benchmark will read against in 2036. Only 45 of the 271 leaders raise enough today to clear that future line without growing from 2024. The 45 are scattered across every sponsor category, 8 corporate, 7 labor, 5 trade, 12 membership, 8 cooperative, and 5 corporation-without-stock, so no category owns the exit. The remaining 226 stand nearly $415 million short of their 2036 Waterlines at 2024 receipt levels.

The Tread Water Target answers a different question: what must a committee raise, at any future date, simply to hold its own 2024 real value? Through 2036, on the central path, the answer is roughly 33 percent more in nominal receipts for every committee (with the existing success of the 45 included). Under the lower and higher sensitivity paths, that tread water tax runs roughly 24 to 43 percent. The bar rises on every path; only its steepness is in question. One-time cash can bridge a single cycle. Donor capacity has to compound.

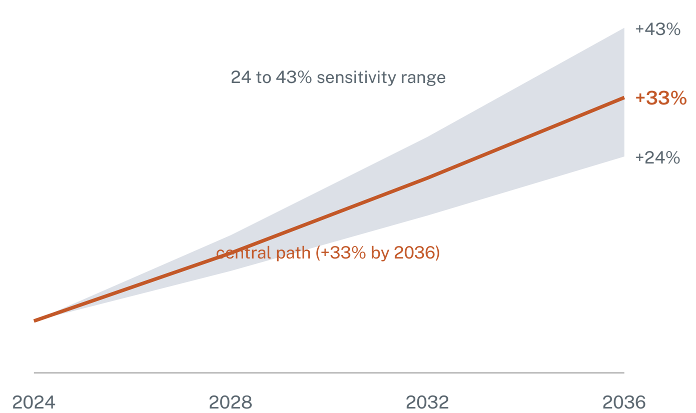
The same indexing that lifts the bar is moving the larger hard dollar check toward the individual donor. Assuming current law remains unchanged, the indexed individual-to-candidate limit overtakes the frozen $5,000 PAC limit somewhere between 2037 and 2045, most likely around 2041. This belongs in the reading as direction, not prophecy: one limit rises while the other stays frozen.

The weight of the rising bar falls heavily on the forward planning process, where it is easiest to overlook. A program that sets next cycle's goal in nominal dollars, last cycle's total plus a comfortable increment, may adopt a target already below its own Waterline before the cycle begins, growth on its face and decline in fact. Setting the goal against the tread water target is the difference between a plan that holds position and one that loses it.

EXHIBIT 8 **The bar keeps rising: two forward numbers, one direction.**

45 of 271 already clear the 2036 restatement of their 2016 baseline; holding 2024 real value takes about a third more from every committee.

Nominal receipts needed to hold 2024 real value (index, 2024 = 100)



45 of 271

clear the Forward Waterline

226

short by nearly $415M

near 2041

crossover: the indexed individual limit overtakes the frozen $5,000 PAC limit (2037–2045)

Source: receipts projected on the Index's central path (Philadelphia Fed SPF median CPI forecast); the 24–43% sensitivity band is an Index construction; FEC limit indexing.

The Planning Mandate: No PAC Should Review Nominal Receipts Alone

The Index exists because the inherited dashboard can no longer answer the question that decides whether a program is succeeding. Did the PAC raise more is the old question, and it still has an answer. **Did the PAC preserve real candidate-financing weight is the question that matters, and across much of the field in the 2024 cycle, the two answers diverged.** A PAC board shown only the first was, without knowing it, approving an incomplete reading.

The mandate is simple to state and overdue to adopt. Beginning with this cycle, no connected-PAC board should review nominal receipts on its own. A report that shows the current dollar total without the Waterline beside it is not a performance report; it is a partial cash report, one that can certify decline as growth with no one intending to mislead.

The new annual report instrument is nominal receipts, Hard Dollar Waterline, False Growth flag, Candidate Footprint, and Tread Water Target. The Waterline answers whether the program preserved real value. The footprint answers whether the hard dollar PAC channel is still material in candidate budgets. The tread water target answers what the next cycle must raise to hold position. The first three are readings from filed data; the target is a transparent forecast built from a published inflation path. None is a proprietary judgment call, and each can be built from the program's own filings and public sources.

Nominal Receipts	Did we raise more dollars?
Hard Dollar Waterline	Did we preserve real value?
False Growth Flag	Did nominal growth hide real decline?
Candidate Footprint	Is the hard dollar PAC channel still material in candidate budgets?
Tread Water Target	What must we raise next cycle just to hold position?

The deeper effect compounds over time. In the first year, the Waterline is a number that a few committees run on. As the benchmark repeats, it becomes the number peers expect to see, and a board shown nominal receipts alone will ask why the real reading is missing. That is how a field changes: not because every institution is persuaded at once, but because the absence of the better number becomes harder to defend.

The Two Engine Response: Keep the Governed PAC, Add the Channel the Cap Cannot Freeze

The operating response is a two engine PAC model. The connected PAC remains the governed baseline. Indexed candidate-direct activation becomes the compounding growth layer.

The first engine carries governance, compliance discipline, board oversight, restricted-class participation, and the direct hard dollar candidate relationships an institution cannot build any other way. Those functions are necessary and not replaceable, and they cannot, by themselves, solve a growth problem constrained by a $5,000 candidate limit frozen since 1976; no amount of operational excellence rewrites that arithmetic. The second engine raises money to candidates through the indexed individual-to-candidate channel. Where counsel-approved program design permits, it can acquire donors beyond the restricted class, retain them across cycles, and compound the donor file rather than reset the growth base each cycle.

The same donor whose PAC check is frozen at $5,000 a year holds indexed capacity everywhere else in the hard dollar system; the second engine is how a program reaches it.

And the opening is not private. Advisory Opinion 2022-03 put solicitation of the general public, by a PAC, for candidate contributions in black letter, and what one program can build under those rules, its peers can build as well. The shelter a restricted class once gave a program against its peers is gone; so are the protections afforded by prior approval requirements. The public donor pool is open to any committee that builds the channel, including those a program competes with for the same donors and candidates. Once a PAC can see both the Waterline and the operating model designed to clear it, the question reverses: not why we would change, but why we are still competing against a frozen cap with a number that hides our real position.

The practical path is modernization without abandonment. The two engines do different jobs, one measured in trust and continuity, the other in donors acquired, retained, and re-solicited. The mistake is asking either to do the other's.

AIPAC launched its PAC in December 2021 to run a direct-giving program on the indexed channel. By AIPAC's published account, more than 10,000 members moved over $53 million to candidates through AIPAC PAC in the 2024 cycle, supporting 361 candidates. Measured against all PAC dollars reaching House and Senate candidates, that $53 million was roughly one in eight dollars, at a scale consistent with the mechanism operating far beyond pilot size.

$53M+	10,000+	361	~1 in 8	Dec 2021
to candidates (2024)	members	candidates	of PAC dollars to House and Senate	PAC launched

Mechanism proof, not a model every program must copy

The distinction has to be held precisely. AIPAC's donor base is not the transferable asset; the indexed limit, candidate-direct routing, PAC-branded activation, and a compounding donor file are. What transfers is the structure, not the constituency.

Conclusion: The Standard Has Changed

The connected PAC is not obsolete. The nominal only annual report is.

That is the holding of the inaugural Hard Dollar Index. A committee can raise more dollars, report growth, clear the prior cycle, and still lose real hard dollar capacity. It can appear stronger while carrying less weight in the candidate market it exists to reach. The error is not in the filings. The error is in the ruler.

For fifty years, the connected PAC has been measured in nominal dollars while its legal limits stayed frozen and the market around it moved. The PAC to candidate check did not index. The donor to PAC limit did not index. Candidate spending, individual limits, party channels, media costs, and the value of the dollar did. Once those facts are put on the same page, the old annual PAC report can no longer carry the burden placed on it. It answers whether more dollars came in. It does not answer whether the program preserved capacity.

The Waterline supplies the missing verdict. It does not predict strategy, assign blame, or diagnose management quality. It reads the public record in real dollars and separates actual growth from apparent growth. On that reading, the profession's challenge is not confined to one sponsor category, one management style, or one bad cycle. It is structural: a fixed hard dollar instrument operating inside an indexed and repriced political market.

That is why future editions matter. This inaugural report establishes the baseline. Later editions will update the reading as public data becomes available, but the question will remain the same: did connected PACs preserve real capacity, or did nominal growth hide erosion? A benchmark earns its place only if it repeats. The Waterline is built to repeat.

The operating answer follows from the measurement. The governed connected PAC remains necessary because it carries compliance discipline, institutional continuity, restricted class participation, and direct candidate relationships. But a frozen cap vehicle cannot be the only growth engine in a market that compounds around it. The annual PAC report must show the Waterline. The strategy must recognize what the Waterline reveals.

The verdict is therefore narrow and hard to evade: nominal receipts alone are no longer a sufficient measure of connected PAC performance. A report that stops there is incomplete, even when every number in it is accurate. The hard dollar profession now has the public data, the method, and the benchmark to read its own capacity in real terms.

From here forward, the question is not whether the PAC raised more dollars.

The question is whether it held its ground.

Methodology, Limits, and Disclosure

The instrument. The Index reads one quantity: the share of the leading connected PACs whose 2024 receipts fall below their 2016 receipts multiplied by 1.30700, the change in the Bureau of Labor Statistics CPI-U annual average, series CUUR0000SA0, from 240.007 in 2016 to 313.689 in 2024. Receipts means total receipts as reported on the FEC's PAC summary tables for the six sponsor categories, on the 24-month cycle basis. The Index introduces no model, no assumed behavior, and no proprietary data, which is what lets the reading repeat without revision each cycle.

The cohort. The headline reads up to the top 50 committees by 2024 receipts in each of six FEC sponsor categories, as many as the FEC lists where a category reports fewer than 50, after excluding committees with no 2016 receipts and the publisher's own connected PAC: 271 distinct committees, each compared with its own 2016 baseline. For committees that rose into the leading tier after 2016, the 2016 baseline was recovered from openFEC, verified against primary FEC records, and documented in the Data Book. Excluded committees are named in the full methodology accompanying the Data Book.

Why 2016. The base year is a completed presidential-cycle baseline two presidential cycles back: far enough to capture multi-cycle erosion, recent enough to preserve committee comparability and data quality. The Index also reports two alternate constructions as a check on base-cohort selection. Today's leaders are disproportionately survivors, so the headline cohort is the conservative one; the 2016-leader count is higher, not lower.

The second count. Following the committees that led in 2016 forward to 2024, carrying terminated and shrunken committees to their actual values, yields 287 committees and a 78.7 percent underwater rate, 226 of 287. The 214 committees that appear in both cohorts, the persistent leaders, run 158 underwater, 73.8 percent, under either test. The two constructions bracket the same finding from opposite ends, and the persistent set falls inside the bracket. The Index discloses the higher and leads with the lower, so the reading under-claims rather than over-claims.

The quiet-erosion band. The band is mechanical: real change against the 2016 line between zero and minus 50 percent. On the 2024 reading, 139 of 271 committees fall in the band.

The forward constructions. The Forward Waterline is 2016 receipts restated to 2036 dollars on the central path: 2016 receipts multiplied by 1.30700 (the 2016 to 2024 CPI change) and then by 1.329 (twelve years at the 2.40 percent central path), a combined factor of 1.737. The 45-of-271 and $415 million figures are readings against that line at 2024 receipt levels. The Tread Water Target is 2024 receipts multiplied by the same 1.329, a roughly 33 percent increase by 2036 on the central path, and applies to every committee. The central path uses the Philadelphia Fed Survey of Professional Forecasters Q2 2026 ten-year CPI median of 2.40 percent; the 1.8 percent and 3.0 percent sensitivity paths are Democracy Engine constructions, not Philadelphia Fed figures, and are labeled as such wherever they appear.

Candidate Footprint scope. The footprint is a market-level indicator: all FEC-reported PAC contributions to House and Senate candidates, divided by those candidates' spending as the FEC reports it. It is not limited to the 271 scored committees, and it excludes presidential activity. The frozen limit throughout is the multicandidate PAC-to-candidate limit; the party-committee limits are cited once, as statutory context, and enter no Index computation.

Why FEC segments are used. The segment categories define the public leadership cohort and confirm that the field-level finding is not concentrated within a single reporting category. The Index does not treat the segments as distinct strategic problems.

Data snapshot. FEC PAC summary tables were captured on June 14, 2026, and openFEC records for recovered baselines were captured on June 16, 2026. Later amendments are not reflected in the inaugural reading and will be incorporated in future editions.

Current law. This report measures PAC hard dollar receipts and PAC contributions to candidates under current statutory limits. It does not model the June 30, 2026 Supreme Court decision invalidating the Federal Election Campaign Act's political-party coordinated-expenditure limits, which changes neither the PAC contribution limits nor the receipts measured here. Party-committee contribution figures are the FEC's published limits for the 2025 to 2026 cycle.

AIPAC source. AIPAC figures are drawn from AIPAC's own published reports, the 2024 Policy and Politics Success summary of November 7, 2024, and the 2024 Congressional Report of February 2025.

What the Index does not measure. It does not diagnose why any individual committee rose or fell; it reports the reading, not the cause. It does not measure independent expenditures or state-level activity. It does not prove poor management anywhere; the reading is fully consistent with a profession of well-run programs measured by the wrong ruler. It does not prove that any cited program's results are replicable by another. CPI-U is a transparent public floor, not a full political-cost index; the Candidate Footprint shows the political market moved faster than ordinary inflation. It is a public benchmark, not legal advice.

Disclosure. Published by Democracy Engine, which operates direct-giving infrastructure for connected-PAC programs. Because Democracy Engine has a commercial interest in this field, the Index leads with the lower of two defensible counts, discloses the harder count alongside it, and recomputes every number from public data. Counsel reviews the reading before release.

Legal note. Advisory Opinion 2022-03 addresses a specific set of facts. Its precise scope, disclaimers, and reporting assumptions are matters for counsel, and any program design proceeds under counsel's review. Nothing in this report constitutes legal advice.

The Data Book. The full 271-committee ledger is published separately as the Data Book: every scored committee by name, with its FEC identifier, sponsor category, 2016 receipts, 2024 Waterline, 2024 receipts, real change, underwater status, 2036 forward Waterline, and the growth required to clear it, with inclusion and exclusion notes. The report carries the argument; the Data Book carries the audit trail, so any committee can find its own row and check the arithmetic against its own filings.

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