

SMALL DONOR SOLUTIONS FOR BIG MONEY: THE 2014 ELECTIONS AND BEYOND

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There's no denying it. Big money in elections is getting bigger and the increased cost of elections is fueled by a shrinking handful of America's wealthiest individuals. Many solution-oriented advocates believe one of the major paths to reversing this trend is investing in small donor-driven campaigns. This report reviews the status of this policy in light of 2014 election spending and the challenges of the post-Citizens United campaign finance era.

There's some good news. State-level, broad "clean elections" models are still drawing in hundreds of candidates, with Connecticut leading the way. Our analysis shows federal small dollar matching systems like the Government by the People Act could also be effective, even in the imperfect world of growing outside spending. In fact, most House winners could have been competitively funded with this federal program. Finally, Americans are making small political donations on a large scale collectively.

Using data currently available, our initial analyses of 2014 elections surfaced these key findings:

- Nearly 300 officials elected this fall in Connecticut, Maine, and Arizona ran with public grants after raising local, small donations.
- A full 84 percent of incoming Connecticut state officials were elected under the state's Citizens' Election Program, including all six statewide winners.
- Since 2010, Connecticut candidates have reduced their financial reliance on the wealthiest zip codes in the state and increased their reliance on donations from middle and low income areas.
- A majority of winning legislative candidates participated in Maine's Clean Elections program.
- At the federal level, outside spending mattered tremendously in a small set of key races, but it is traditional candidate fundraising that most candidates still rely on.
- The vast majority of 2014 House winners, had they used the Government by the People Act, would have had sufficient funds, if not more, to compete this past cycle, including in many of the races with outside spending.
- Small donors, those donating \$200 or less, gave a combined \$1 billion to federal candidates, party committees, and political action committees (PACs) this cycle. While federal candidates can do more to reach small donors, Americans have shown their willingness, in large numbers, to engage politically through small contributions.

BROAD-BASED SMALL DONOR-DRIVEN CAMPAIGNS WORK IN THREE STATES

In Connecticut, Arizona, and Maine, state programs are in place offering grants to candidates who raise a minimum number of local, small donations. A key component of these systems was eliminated after a Supreme Court decision in 2011 struck down “triggered matching funds,” an important mechanism for publicly funded candidates to compete with high-spending opponents and outside money groups. In addition, post-Citizens United rules made independent expenditures a larger part of politics. Under this duress, how are these systems responding?

Connecticut’s program remains strong, with high levels of participation. Results in Maine and Arizona were in line with the declines in participation that began after the court decisions discussed above. Arizona’s participation rates were particularly low, in part due to a radical increase in contribution limits.

Despite all this, the small donor-based programs in these three states moved nearly 300 candidates forward to victory this cycle. There are also promising stories of candidates—particularly women—whose successes were made possible through campaigns focused on voters and small donors.

Table 1. Overview of Participation Among General Election Candidates and Winners

State	Clean Cands	All Cands	% Clean Cands	Clean Winners	All Winners	% Clean Winners
Connecticut	272	375	73%	162	193	84%
Maine	199	376	53%	107	186	58%
Arizona	42	169	25%	16	98	16%
Total	513	920	56%	285	477	60%

Sources: Analysis of data from Connecticut’s State Elections Enforcement Commission, the Maine Commission on Governmental Ethics and Election Practices, and Arizona’s Citizens Clean Election Commission.

CONNECTICUT

Candidates continue to run and win with Connecticut’s Citizens’ Election Program (CEP) at high rates, for all offices and from both major parties. A resounding 84 percent of all winning candidates ran with public funding this cycle, and this is higher than the participation rate among all candidates (73 percent), because participating candidates were more likely to win.

Every winning statewide elected official was a CEP candidate. Participation rates were similar among winners for the State House (83 percent) and Senate (86 percent). Participation was extensive among winning Republicans (78 percent) and even higher among winning Democrats (88 percent).

Table 2. Connecticut Winners Participating in CEP by Office

State Office	CEP Winners	All Winners	% Using CEP
House	125	151	83%
Senate	31	36	86%
Statewide	6	6	100%
Total	162	193	84%

Source: Analysis of data from Connecticut’s State Elections Enforcement Commission.

It is important to note, however, that loopholes were introduced by the legislature in 2013 in reaction to federal court decisions.¹ Together, these rulings and loopholes led to increased levels of private funds—in the gubernatorial race, outside spending outpaced CEP grants²—and controversial routing of big donations through party committees, as detected in Ted Kennedy Jr.’s victory in the 12th Senate district.³ However, these were the exceptions, not the norm.

While these loopholes need to be addressed, politicians from both major parties maintained confidence in the state’s citizen-owned elections. Cheri Quickmire, executive director of Common Cause Connecticut, believes that part of the explanation for this broad, bipartisan support is the degree to which the program has become part of the “culture” of the state and the lack of a special interest “agenda” behind Citizens’ Election funding. The program also maintains competitively sized grants (full general election amounts up to \$94,690 for qualifying Senate candidates and \$27,850 for House candidates).⁴

These factors likely contributed to the program working for a broad set of candidates, and women in particular. Eighty-nine percent (51 out of 57) of women elected in Connecticut used CEP, including two new state senators. Rep. Mae Flexer won a tough race for the northeastern 29th senate district, and the 22nd senate district elected its first African-American woman, community activist Marilyn Moore. When Moore qualified for the CEP general grant in June, she said voters were “hungry for change and want a senator who is responsive to our communities not Hartford special interests.”⁵

Table 3. Connecticut Winners Participating in CEP by Party

Party	CEP Winners	All Winners	% Using CEP
Democrat	100	114	88%
Republican	62	79	78%

Source: Analysis of data from Connecticut’s State Elections Enforcement Commission.

“I think the program continues to enjoy high participation and success rates because it works to offer opportunities to people who would not have been able to run without it. It’s becoming a part of the election culture here. The diversity of candidates who have won using the program is a testament to that.”

–Cheri Quickmire, executive director, Common Cause in Connecticut

“I am absolutely thrilled to see such enthusiasm for, and interest in, reform exhibited by the great citizenry in the 22nd State Senate District. Now we move forward together. This is a partnership for change, and I am honored to partner with you.”

– Marilyn Moore, State Senator, District 22 (Campaign Press Release, 6/18/14)

1 Christine Stuart and Hugh McQuaid, “Election Highlights Flaws in Campaign Finance System,” *CT News Junkie*, November 10, 2014, accessed November 14, 2014, http://www.ctnewsjunkie.com/archives/entry/election_highlights_flaws_in_campaign_finance_system

2 Susan Haigh, “Nearly \$17 Million from Outside Connecticut Spent on Governor Race,” *Republican American*, November 11, 2014, accessed November 13, 2014, <http://www.rep-am.com/articles/2014/11/13/news/connecticut/842293.txt>

3 Kristi Allen, “Democratic Party Spends Heavily on Ted Kennedy Jr.,” *CT News Junkie*, October 28, 2014, accessed November 13, 2014, http://www.ctnewsjunkie.com/archives/entry/democratic_party_spends_heavily_on_ted_kennedy_jr/

4 “State Elections Enforcement Commission Citizens’ Election Program Overview,” Connecticut’s State Elections Enforcement Commission, accessed November 14, 2014, www.ct.gov/seec/lib/seec/2014gaandstatewide/cep_overview_2014_with_cpi_032014.pdf

5 “Marilyn Moore Files for Public Financing Grant for the 22nd State Senate District Primary,” last modified June 11, 2014, accessed November 14, 2014, https://www.facebook.com/permalink.php?story_fbid=473995329402746&id=429017760567170

The program has also supported incumbents like Matt Lesser, the young Democrat representing house district 100, who just won his fourth term as a CEP participant. The son of an Argentinian immigrant, Lesser has led on issues that matter to everyday people, including voting rights, renewable energy, consumer rights, and child well-being. Lesser has also risen to powerful leadership positions; he has served as Assistant Majority Leader and was just named chair of the Banks Committee. As part of the inaugural class of legislators to win with CEP in 2008, Lesser said: “[The program] has made me directly accountable. It has made me earn people’s support the hard way. And it has also helped me be a better candidate in the sense that I know what is on people’s minds a heck of lot better than if I had not had that experience to go out there, meet them, and listen to what their concerns are.”

What difference has the growing participation rate in Connecticut made on the type of donors candidates have relied on over time? Comparing the 2014 cycle to the last cycle with gubernatorial races (2010) shows that candidates relied in 2014 on a more even distribution of income brackets and relied less on the wealthiest zip codes in the state (measured by median household income at the zip code tabulation area, or ZCTA, level).⁶ For gubernatorial candidates, in particular, candidate reliance on donations from the wealthiest zip codes decreased dramatically, from 71 percent to 44 percent, while reliance on middle income zip codes nearly doubled. The shift was largely due to one of the major gubernatorial candidates (Thomas C. Foley) switching from running with private funds in 2010 to participating in the CEP program in 2014. The program worked as intended, shifting dependence away from wealthy donors. Reliance on donors from the lowest income brackets, while small overall, also increased. It is worth noting there are only four zip codes with median household incomes below \$25,000. and as one of the wealthiest

Figure 1. Percent Total Donations by Median Household Income to Connecticut Gubernatorial Candidates

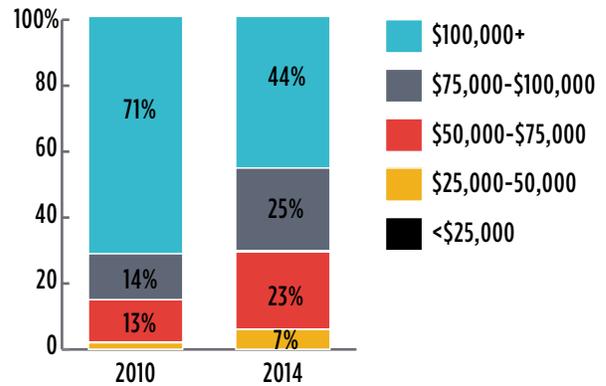


Figure 2. Percent Total Donations by Median Household Income to Other Connecticut Statewide Candidates

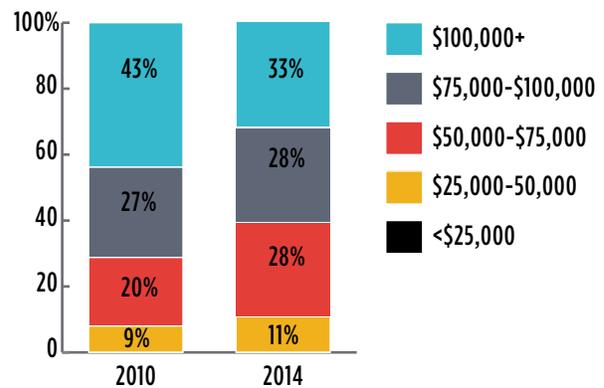
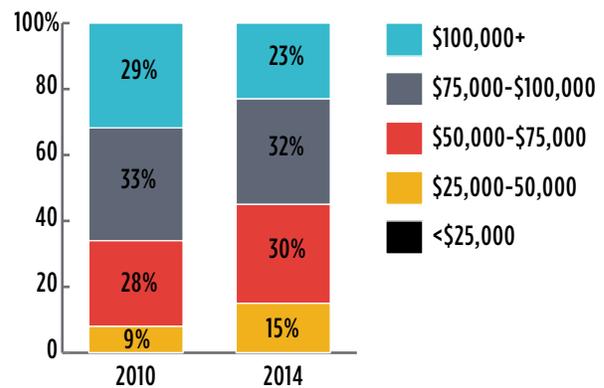


Figure 3. Percent Total Donations by Median Household Income to Connecticut Legislative Candidates



6 Connecticut donation data, accessed on the National Institute on Money in State Politics on January 10, 2015, was aggregated by zip code and joined with Census data on median household income for zip code tabulation areas (ZCTAs), compiled in the 2013 Five-Year Summary of the American Community Survey.

states in the country, the median household income in Connecticut is \$69,461, based on the 2013 Five-Year Summary from the American Community Survey.

MAINE

Participation in the country’s oldest “clean elections” style program remains substantial, though at a lower level from previous cycles. A majority of winning candidates participated in the public financing program (58 percent), but this rate was lower than 2012, when 70 percent of winners used Clean Elections.⁷ Likely factors driving the lower rate include the loss of trigger funds, blocked legislative attempts to install an alternative, and recent heavy independent spending. Combined, these factors leave legislators targeted by outside spending without the resources to defend themselves.

Program participation differed along a few lines. Most female candidates ran clean (72 out of 109, or 66 percent), and winning women were more likely to be clean candidates (69 percent) than winning men (53 percent ran clean). Also, more than 80 percent of winning Democrats used the program, compared to 32 percent of winning Republicans.

Former Falmouth official Cathy Breen is a great example of a woman who succeeded under the Clean Elections program this cycle. During her primary for State Senate district 25, which she won against a privately-funded opponent, she said clean candidates can “avoid the influence of special interests.”⁸ Her slogan was “Clean Elections—the way elections should be.”⁹ In addition to a record conserving open space and improving local services, Breen campaigned on increased access to health care and economic security for all Mainers. She won the general against another clean candidate by 32 votes.

In another close race, Democratic incumbent Chris Johnson defeated repeat challenger Leslie Fossel by 346 votes, for State Senate district 13. Johnson has defended Clean Elections, writing “Let’s work together to make sure that the wealthy aren’t ‘more equal than others.’ Everyone deserves an equal vote, an equal voice, and an equal chance to participate in our democracy.”¹⁰

7 “2012 Legislative Elections: An Analysis of Clean Election Participation and Outcomes,” Maine Citizens for Clean Elections, accessed November 12, 2014, https://www.maineclanelections.org/sites/default/files/web/MCCE_Report05_ElectionCEAnalysis_Tabloid.pdf

8 “Democratic Caucus Remarks,” Cathy Breen for State Senate, March 2, 2014, accessed November 18, 2014, <http://cathybreenforstatesenate.files.wordpress.com/2014/03/sd25caucuspeech.pdf>

9 “Clean Elections,” Cathy Breen for State Senate, accessed November 18, 2014, <http://cathybreenforstatesenate.com/clean-elections/>

10. “How Elections Should Be 11-17-14,” Senator Chris Johnson’s website, accessed January 9, 2015, <http://senatorchrisjohnson.org/elections-11-17-14/>

Table 4. Maine Winners Participating in Clean Elections by Office

State Office	CE Winners	All Winners	% Using CE
House	83	151	55%
Senate	24	35	69%
Total	107	186	58%

Source: Analysis of data from the Maine Commission on Governmental Ethics and Election Practices.

Table 5. Maine Winners Participating in Clean Elections by Party

Party	CE Winners	All Winners	% Using CE
Democrat	77	94	82%
Republican	28	88	32%
Other	2	4	50%

Source: Analysis of data from the Maine Commission on Governmental Ethics and Election Practices.

“I’m running as a Clean Election candidate which means that the state gives candidates campaign funds so they can avoid the influence of special interests. That’s a value I support.”

– Cathy Breen (Campaign Speech, 3/2/14)

To ensure the program continues to work for a wide range of candidates and to reverse the decline in participation, it is important to strengthen this system. As Andy Bossie, executive director of Maine Citizens for Clean Elections, put it, “We have a government that was elected with more private fundraising than ever before because the courts and elected officials have weakened Clean Elections, but Maine people are coming together to change that, to make sure we build up the voices of everyday voters in our elections and government.”

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– Andy Bossie, executive director, Maine Citizens for Clean Elections

That’s not just rhetoric. On Election Day, volunteers covered more than 1,000 shifts at over 200 polling places across the state to gather signatures for a statewide ballot initiative that would update the Clean Election Act and allow candidates greater protection against outside expenditures.

ARIZONA

Arizona’s program saw the lowest participation rate this cycle among these three states. Only a quarter of all general election candidates (42 or 169) used Clean Elections, and among winners, participation was even lower, at 16 percent.

While three out of eight statewide winners ran clean, some benefitted from heavy independent spending. In particular, staff at Arizona Advocacy Network (AZAN) observed heavy business spending in the Secretary of State and Corporation Commissioner races, including outside spending by the same public utilities regulated by the Commissioner office.

Participation rates differed between some groups. Incumbent candidates overall used the program at lower rates than challengers (14 percent for incumbents and 34 percent for challengers). Similarly, Republican candidates overall participated at lower rates than Democratic candidates (15 percent, compared to 40 percent, respectively). However, among winners, the two parties had similar rates of participation: 15 percent for Republicans and 19 percent for Democrats.

Table 6. Arizona Winners Participating in Clean Elections by Office

State Office	CE Winners	All Winners	% Using CE
House	9	60	15%
Senate	4	30	13%
Statewide	3	8	38%
Total	16	98	16%

Source: Analysis of data from Arizona’s Citizens Clean Election Commission.

Table 7. Arizona Winners Participating in Clean Elections by Party

Party	CE Winners	All Winners	% Using CE
Democrat	7	37	19%
Republican	9	61	15%

Source: Analysis of data from Arizona’s Citizens Clean Election Commission.

Arizona's low participation rates stem from several factors. In addition to the case that banned so-called "trigger" funds (*Arizona Free Enterprise Club v. Bennett*), state party leadership has discouraged candidate participation, according to AZAN, and the state's contribution limits were nearly decimated in 2013. The individual limit went from \$440 to \$4,000, and the aggregate limit for PAC contributions to candidates was lifted entirely (from \$14,688).¹¹

Despite these roadblocks, Clean Elections candidates are still able to win. In a few major primary races, for Secretary of State and

Superintendent of Public Instruction, the clean candidate was the highest vote getter. Republican Diane Douglas, the winner for Superintendent of Public Instruction and a clean candidate, led a strong grassroots campaign. Her win was a huge upset after she received little party support and was heavily outspent.

Another clean Republican winner was Chris Ackerley, a high school physics teacher who campaigned on more funding for schools. His win was also considered an upset, given the heavily Democratic second house district. He has said, "Yes, I am a Republican, but I didn't run because I'm a Republican. I ran because I want to see us get education straightened out and protect Southern Arizona's interests."¹²

As AZAN director Sam Wercinski says, the Clean Elections program was designed to focus candidates on "voters not donors." Even a candidate who did not ultimately win found the focus on voters valuable. Dr. Janie Hydrick ran privately in 2012 and ran clean in 2014 for house district 18. She deeply appreciated the difference: "Instead of spending my time calling donors and convincing them to contribute to my campaign, this cycle I was having intense conversations about values and policies with voters of all parties."

"Clean Elections has always required participating candidates to focus on voters not donors. Post Citizens United, public campaign finance provides a needed tool for working voters to be heard by participating candidates while big donors, not voters, gain more influence over privately funded ones."

– Sam Wercinski, executive director, Arizona Advocacy Network

A FIRST IN NEW MEXICO: COURT OF APPEALS CANDIDATE ELECTED WITH PUBLIC FINANCING

In 2008, public financing became available for candidates running for state judicial races in New Mexico. In 2014, Republican Miles Hanisee became the first candidate to participate and win under the program in his run for the New Mexico Court of Appeals.

"It keeps lawyers' money out of judicial races," Hanisee told the Albuquerque Journal. "To me, that is the main thing you are trying to accomplish."

After winning, Hanisee suggested the program be expanded to state district courts as well. "It's just unseemly," he said. "While we're fixing one thing, why don't we fix the other?"

Source: Albuquerque Journal, 11/17,14

11 Howard Fischer, "Clean Elections Commission Wants Contribution Limits Restored," *Arizona Daily Star*, September 13, 2013, accessed November 13, 2014, http://tucson.com/news/local/clean-elections-commission-wants-contribution-limits-restored/article_369ba1fc-d44a-5272-a58b-16ae4482405d.html

12 "Ackerley pulls off upset in LD2," *Nogales International*, November 6, 2014, accessed January 9, 2015, http://www.nogalesinternational.com/news/ackerley-pulls-off-upset-in-ld/article_3ec649de-650a-11e4-80ce-b3329f70573e.html

FEDERAL CANDIDATES COULD THRIVE WITH SMALL DONOR MATCH PROGRAM

Billionaires and deep-pocketed special interests may dominate our current federal elections, but as these state models show, there is a different way. Elections can be free from undue influence and focused on voters' concerns. So how would the leading small donor-based proposal on Capitol Hill have fared this past election? It turns out that with just small donations and matching support from the Government By the People Act (HR 20), the vast majority of House winners would have been well equipped for their races.

First, to account for the major trend of increased outside spending, we compared outside spending to candidate spending and confirmed that outside spending was only a likely important factor in about 10 percent of House races and about one third of Senate races. There were only 49 out of 435 House races and 12 out of 34 Senate races¹³ where total independent spending represented at least 20 percent of total candidate fundraising.¹⁴ In other words, in nearly 90 percent of House races and two-thirds of Senate races, outside spending was a modest or non-existent factor. And yet donations from large donors and special interest lobbies continue to be the funding source candidates depend on to win elections.

That's where the Government By the People Act comes in. Sponsored by Congressman John Sarbanes (D-Md.), the bill would allow candidates to run competitive campaigns for office by relying on a mix of small donations and matching public funds. Under the program, small donations of \$150 or less would be matched on a six-to-one basis, turning a \$50 donation from a constituent back home into \$350 total. Therefore, we asked, for House races with and without outside spending, how many winners could have raised enough funds with this program.

Based on the same numbers of donors they reached last cycle, three out of four House winners would have likely raised as much or more funds through this small donor match program, compared to candidate spending for 2014.¹⁵ And among the 74 winners who had independent expenditures back them, funding permitted under the Act could have replaced all or most of the outside funds as well, for nearly half (32) of those winners.

Table 8. Outside Spending Factor in House and Senate

Total Outside in Race/ Total Cand Receipts	No. Races	% Races
HOUSE		
> 100%	21	5%
20-100%	28	6%
0-19%	386	89%
SENATE		
> 100%	8	24%
20-100%	4	12%
0-19%	22	65%

Source: Analysis of Campaign Finance Institute data, updated on November 5, 2014.

¹³ Senate special elections not included.

¹⁴ Due to factors such as redistricting, the number of competitive races is similarly limited.

¹⁵ Modeling of potential GBPA amounts that could be raised by 2014 House winners was based on FEC itemized donation data that included reports through the post-general filings. The FEC file with cleaned names was provided by Karen Shanton at Demos. Key assumptions used in modeling were: \$70 as the average cycle total from unitemized donors, 80 percent of unitemized donors were considered in-state, 25 percent of a candidate PAC money was converted to People's PAC money, and all donors who gave more than \$300 in the cycle were converted to small donors giving the maximum matchable amount, \$300 for the cycle.

To make up the difference in races with the most outside spending, candidates in this cycle's hottest races would likely have wanted to take advantage of the additional private fundraising options available under the GBPA model. This includes raising funds from additional donors who can give more than \$300 per cycle (and up to \$2,000).¹⁶ Also, the \$3.33 million cap on matching funds used in our modeling (for candidates using the six-to-one match) is based on a formula that reflects actual spending totals each cycle and adjusts with spending growth.¹⁷

There are also limitations to the impact of outside funds. Independent expenditure groups are charged higher rates for their attacks ads—premiums that often double or triple broadcast costs for such opposition. This means the value of increased outside spending may not be equivalent to increased candidate spending. For the Senate races this cycle, a regression analysis by Emory University professor Alan Abramowitz shows a statistically insignificant correlation between the Democratic margin and the outside spending disparity between the Republican and Democratic candidates. This means the degree to which outside spending was higher for one party or the other was not a strong predictor of vote margins, though the large sums spent on both sides could have neutralized overall impact.¹⁸

Having said all that, outside spending continues to be a significant problem, and efforts such as amending the constitution are important for addressing it. However, even in the current environment, it's possible for small donor programs to work and thrive. With the program created by the Government By the People Act, federal candidates could focus their time on building relationships with voters and collecting small donations from everyday people, something that would make them more accountable to their constituents and could serve as an equally effective message on the stump.

¹⁶ This option would only make financial sense for candidates who had already drawn the maximum allotments of public funds.

¹⁷ The GBPA match cap for six-to-one matching was updated for this study using 2014 figures through the post-general reports.

¹⁸ Kyle Kondik and Geoffrey Skelley, "14 From '14: Quick Takes on the Midterm," University of Virginia Center for Politics, November 13, 2014, accessed on November 14, 2014, <http://www.centerforpolitics.org/crystalball/articles/14-from-14-quick-takes-on-the-midterm/>

LARGE SCALE SMALL DONOR POTENTIAL

Where are these small donors, and is it hard to reach them? Fortunately, small donors, who are more likely to represent broad demographic cross sections of America, continue to collectively give substantial sums across the major types of fundraising committees. This cycle, donors giving \$200 or less, gave more than \$1 billion to all federal candidates, party committees and PACs (see Table 12 for detail).

House and Senate candidate committees are not raising as much small money overall as party and PAC organizations; their combined intake represents only 17 percent of the \$1 billion. Also, given the overall decline in candidate fundraising,¹⁹ it is not surprising to see a decline in small donor fundraising among House winners in particular, especially after unusually strong small donor outreach in 2010. Still, the share of candidate spending represented by small dollars (9 percent) has not changed since the last cycle, among House winners.

Senate winners showed a small increase in small donor fundraising since the last midterm, from \$32.9 million in 2010 to \$38.2 million this cycle. Again, as a share of total candidate spending, small donor fundraising across Senate winners did not change significantly since 2010.

Table 9. Total and Average Small Donor Fundraising Among House and Senate Winners

	2014		2012		2010		2008	
	Amount	Amt/ Spend						
HOUSE								
Total	\$44,461,760	9%	\$47,362,829	9%	\$52,962,123	11%	\$37,178,252	8%
Average	\$105,610	9%	\$112,769	9%	\$123,743	11%	\$85,467	8%
Avg w/o Top	\$98,355	9%	\$99,905	8%	\$109,999	10%	\$82,640	8%
SENATE								
Total	\$38,190,525	14%	\$53,376,138	22%	\$32,902,394	15%	\$20,387,777	12%
Average	\$1,091,158	14%	\$1,779,205	22%	\$967,717	15%	\$728,135	13%
Avg w/o Top	\$857,239	11%	\$1,247,060	17%	\$805,460	13%	\$462,910	9%

Source & Notes: Analysis of FEC data for reports filed through to the pre-general reports of each cycle. Winners were designated by FEC data for cycles 2008 through 2012. Winners were marked manually for 2014. "Avg w/o Top" means the average figures without the top ranked small donor fundraiser, e.g. Sen. Warren (D-Mass.) in 2012.

¹⁹ Russ Choma, "Money Won on Tuesday, But Rules the Game Changed," Center for Responsive Politics, November 5, 2014, accessed November 14, 2014, <https://www.opensecrets.org/news/2014/11/money-won-on-tuesday-but-rules-of-the-game-changed/>

When we break down average small donor fundraising by party, we observe a more notable difference among Senate winners. While winning House candidates from both parties raised similar amounts on average from small donors, winning Senate Democrats succeeded in raising much more small money than their Republican counterparts. The discrepancy is partly due to the successful implementation of national small donor fundraising strategies, including those of Sen. Franken (D-Minn.) in 2014 and Sen. Warren (D-Mass.) in 2012. But even excluding the top small donor fundraiser in each party, Senate Democrats have increased their reliance on small donors the last two cycles, while Senate Republicans have gone in the other direction. This translates into nearly a four to one difference this cycle, with winning Senate Democrats averaging \$2.1 million and winning Senate Republicans averaging about \$570,000 in small donor totals.

Table 10. Average Small Donor Totals Among Winners By Party

Chamber/ Party	2014	2012	2010	2008
HOUSE				
Dems	\$100,417	\$116,266	\$75,975	\$84,424
Repubs	\$105,076	\$110,476	\$162,512	\$86,642
SENATE				
Dems	\$2,091,499	\$2,151,229	\$964,273	\$1,002,982
Repubs	\$569,241	\$911,147	\$1,011,290	\$393,982

Source & Notes: Analysis of FEC data for reports filed through to the pre-general reports of each cycle. Winners were designated by FEC data for cycles 2008 through 2012. Winners were marked manually for 2014.

Looking more closely at parties reveals that the Democratic Congressional Campaign Committee (DCCC), in particular, has been successful in reaching small donors. The DCCC is on track to surpass their small donor total from 2012. Also, for the second cycle in a row, the DCCC nearly doubled its small money total from 2010. By contrast, all three major Republican party committees have decreased their intake from small donors, most markedly the Republican National Committee (RNC).

Table 11. Total Small Donor Giving to Major Party Committees

CYCLE	2014	2012	2010	2008
DCCC	\$69,051,093	\$70,805,335	\$37,497,496	\$30,840,982
NRCC	\$23,171,003	\$24,953,608	\$34,072,110	\$32,109,772
DSCC	\$45,892,499	\$49,615,777	\$34,238,027	\$24,614,920
NRSC	\$23,800,330	\$26,283,802	\$33,103,636	\$28,939,463
DNC	\$66,050,311	\$75,860,222	\$103,328,673	\$82,724,021
RNC	\$80,177,606	\$125,427,594	\$113,829,729	\$152,211,825

Source & Note: FEC data. 2014 includes most recent reports while cycles 2008 through 2012 include full cycle figures.

Overall, qualified PACs raised the largest sum of small funds among major committee types, accounting for about half of the \$1 billion total. Many of the PACs most successful at small donor fundraising are membership organizations that have honed strategies for activating large bases of small donors. The PACs reporting the highest small donor totals so far this cycle have, for the most part, been the PACs of labor unions, single-issue groups, and ideological groups.²⁰ While small donations represented 45 percent of contributions to all PACs in 2014, the 20 PACs that raised the most small money collected 85 percent of all their contributions from small, unitemized donations.

PAC small money has also been robust over time, staying at similar levels since the 2008 cycle, with a slight uptick in relation to net contributions (total contributions minus refunds).

We are not suggesting that all PAC and party donors would also give to candidates if a matching fund system were available. However, these figures show there is a universe of small donations far larger than those going to candidates, suggesting that with the increased incentive of matching funds, a greater focus on raising money from individuals giving small amounts would be successful.

Table 12. Total Small Donor Giving to Major Committee Types

Committee Type	Unitemized Total	% of Total
House Candidate	\$79,265,869	8%
Senate Candidate	\$96,239,444	9%
Parties	\$357,367,671	35%
PACs	\$482,788,188	48%
Total	\$1,015,661,172	100%

Source & Note: FEC data downloaded 11/5/14. Super PACs not included.

Table 13. PAC Small Money Over Recent Cycles

PAC Money (in Millions)	2014	2012	2010	2008
Total Unitemized Contributions	\$483	\$494	\$459	\$454
Total Net Contributions	\$1,083	\$1,122	\$1,080	\$1,026
Percentage (Unitemized/Net)	45%	44%	42%	44%

Source & Note: FEC data. 2014 includes most recent reports. 2008 through 2012 figures are full cycle.

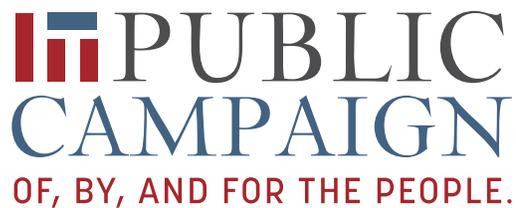
²⁰ Small money to corporate PACs is part of the total small money to all PACs.

CONCLUSION

The higher cost of our elections is increasingly driven by an elite set of America's wealthiest individuals. To address this, at the state and federal level, policymakers should put forward policies that will give everyday Americans a bigger voice in the political process through public financing programs, like those discussed above or offered in other states and cities around the country.

The experience in Connecticut and Maine shows it can be done, even as these systems are under duress and systemic improvements are being sought. Federal House winners running with the Government by the People Act could be competitively funded in most cases, with a large potential pool of small donations available.

Despite the rise of independent expenditures and the substantial loosening of campaign finance regulations by the Supreme Court, campaign finance systems driven by regular people making small donations offer a promising path forward.



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