

CAMPAIGN FINANCING IN CONGRESS

SIMON CAWLEY

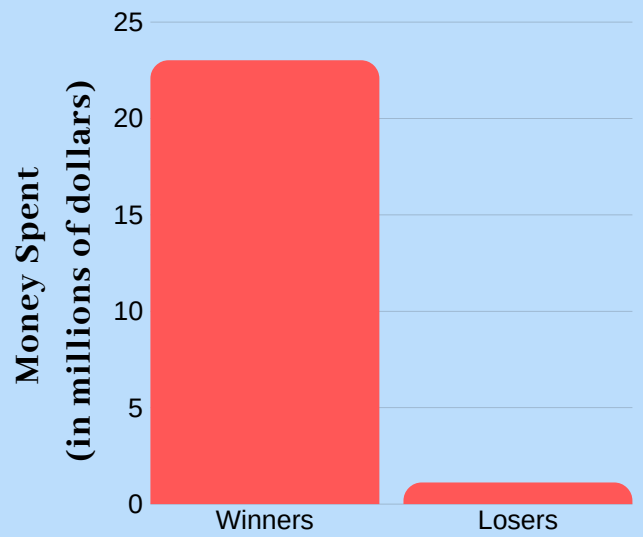
04.15.18

HOW "BIG MONEY" HAS CREPT ITS WAY INTO DEMOCRACY

The skyrocketing costs of running for office in the United States are continuing to allow large corporations and interest groups to maneuver election outcomes and influence policy decisions.

Background

The issue of big businesses and politically persuasive groups using their financial power to influence U.S. Congressional elections has existed throughout the majority of America's history. These influencers will donate to the campaigns of candidates so that they are more likely to win their election, given that history has shown to politicians that those who spend more on their campaigns, are often the ones who win. In fact, in 91 percent of congressional elections, the winner is the candidate who spent more money on their campaign.¹

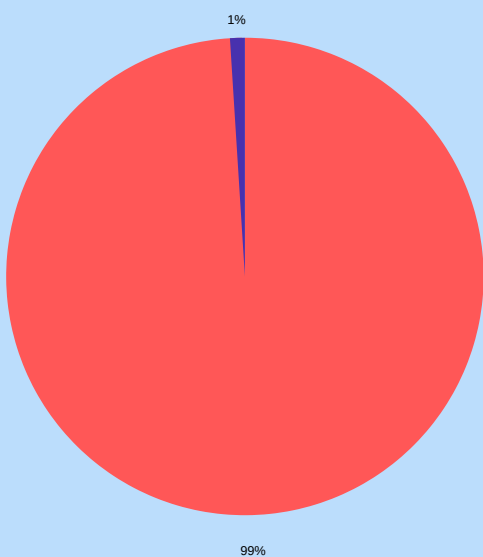


This figure displays the Federal Election Committee's discoveries in how much more money is spent, on average, on winning campaigns as opposed to losing ones.¹

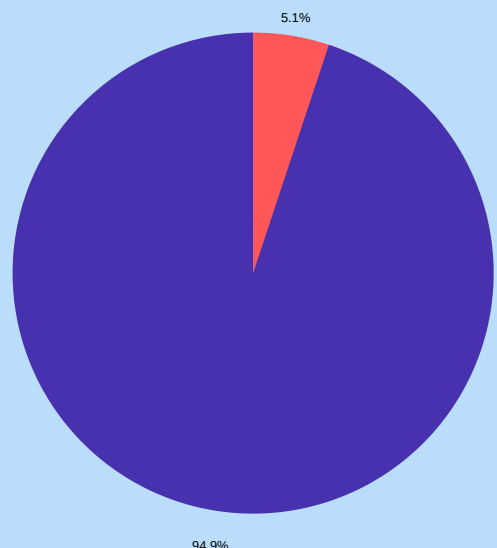
So, What is the Issue?

The fact that these wealthy and powerful groups are such a small population of voters, but yet they have extreme levels of authority over American politics, is a direct obstruction of our democracy. The real threat is not that large corporations are giving money to the campaigns of politicians. The real threat is the motivation for why these groups are donating so much. If an organization pledges large sums of money to a candidate, which is then used to ensure their electoral success, then the candidate owes it to the organization to propose and pass policy that reflects their desires. This is an issue because a small and elite group of voters are preventing policy makers from being representative of the mass public that voted for them. The figure below depicts how the elite 1% of campaign donors make up for nearly all of the money that candidates receive for their campaign, thus proving how influential their donations are.²

1% of donors...



Make up for 94.9% of money candidates receive.²



WHO ARE THESE DONORS?

These "one percenters" who are responsible for the majority of campaign contributions, have direct influence over the decisions of policy makers once elected to office. These donors consist of big businesses, interest groups, and PACs (Political Action Committees). The big businesses can include anything from oil companies to large, nation-wide banks and typically donate in hopes of protecting the rights and success of their products. Political Action Committees, on the other hand, solely exist to donate to campaigns. PACs are a collective group of people who share a goal that they want to see reached through policy implementation and will, therefore, fund the candidate who will work to see that those goals are met.

Some of the most powerful and well-known PACs are the National Rifle Association and the American Bankers Association.

TYPES OF CONTRIBUTIONS

Hard Money

This type of donation refers to all money that is donated directly to a political candidate and done so in a legally approved manner. The Federal Election Committee must approve of all donations that are directly sent to a candidate. All of the money that fits within the legal limitation is coined as "hard money".⁵

Soft Money

This type of donation refers to money that does not have to be approved by the Federal Election Committee but can still manage to find its way to a particular candidate. Donors do this by contributing to parties or interest groups, who will in turn, financially support their desired candidate. This type of contribution is practiced because it has no legal limitation on how much one can donate.

Dark Money

This type of donation refers to the political spending of non-profit organizations who are not legally required to disclose where their money came from to the federal government. This means that politically active non-profits can receive unlimited sums of donations, that of which can be used to support a party/candidate.

What current laws are in place regarding campaign finance?

- The Federal Election Act of 1971 was the one of the first pieces of legislature to place limitations on campaign fundraising/expeditures and established the Federal Election Committee to enforce these regulations.
- However, the *Buckley vs. Valeo* Supreme Court Case of 1976 ruled that restrictions on spending were unconstitutional and allowed parties to spend unlimited amounts of hard money throughout elections. ⁷
- The FEC's current laws regarding campaign donations say that an individual may donate up to \$2,700 per candidate per year, whereas PACs may donate up to \$5,000 per candidate per year. ⁷

Potential Solutions

There are many actions that can be taken to potentially solve this nation's issue with campaign financing among elected officials. For starters, society could do more to expose corruption and promote awareness of what is occurring in Congress to citizens through education. Voters could also do more research in tracking where donations are coming from in certain campaigns to see where the loyalty of the candidates truly lies. This approach could be made easier if policy makers would get on board with enforcing stricter laws that require candidates to reveal where all of the money being spent on campaigns is coming from.

Voter-Owned Elections

A more clear-cut path we could take to return control of the political system back to voters would be to implement voter-owned elections. Voter-owned elections offer citizens who don't have access to financially powerful networks the opportunity to become elected officials. This process occurs by having a person prove that they are a viable candidate to a local voter-owned election program by collecting small donations from registered voters in the area to prove that they have electoral support. Once once qualifies as a VOE candidate, they receive public grants and are given the opportunity to run a campaign free of donations and pressures from special interest groups. Providing this type of campaign process to citizens could potentially put an end to big money campaign donors out-bidding the interests of the mass public.

WORKS CITED

1. Lowery, W. (2014, April 04). 91% of the time the better-financed candidate wins. Don't act surprised. Retrieved from https://www.washingtonpost.com/news/the-fix/wp/2014/04/04/think-money-doesnt-matter-in-elections-this-chart-says-youre-wrong/?utm_term=.88723d5b1114
2. OpenSecrets. Super PACs: How Many Donors Give. (n.d.). (2018). Retrieved from <https://www.opensecrets.org/outside-spending/donor-stats>
3. Barber, M. (2016). Donation Motivations. *Political Research Quarterly*, 69(1), 148-159. doi:10.1177/1065912915624164
4. OpenSecrets. Top PACs. (2018). Retrieved from <https://www.opensecrets.org/pacs/toppacs.php>
5. Pastine, I., & Pastine, T. (2013). Soft Money And Campaign Finance Reform. *International Economic Review*, 54(4), 1117-1131. doi:10.1111/iere.12030
6. Beckel, M. (2016, January 20). What is political 'dark money' - and is it bad? – Center for Public Integrity. Retrieved from <https://publicintegrity.org/federal-politics/what-is-political-dark-money-and-is-it-bad/>
7. Federal campaign finance laws and regulations. (n.d.). Retrieved from https://ballotpedia.org/Federal_campaign_finance_laws_and_regulations
8. *We Are Democracy North Carolina*. Voter-Owned Elections. (n.d.). Retrieved from <https://democracync.org/voter-owned-elections/>