



## Money in American Elections

### Democracy in Danger

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Campaign Finance Reform Team  
League of Women Voters  
of Boulder County, Colorado

We believe that the vast amount of money influencing our political process places our democracy in danger!





## Definitions

### Democracy

- ◆ Government by the people, especially rule of the majority
- ◆ A government in which the supreme power is vested in the people and exercised by them directly or indirectly through a system of representation usually involving periodically held free elections. (Merriam-Webster)

### Plutocracy

- ◆ Government by the richest people (Merriam-Webster)

## Why is Money A Problem?



- ◆ Candidates must raise money to compete
- ◆ Office holders must spend time fundraising
- ◆ Contributions create bias toward donors



## History Related to Money in Politics

Federal Election Commission Campaign Act of 1971 ( and 1974 Amendments )

- ◆ Set Contribution Limits
- ◆ Established Public Financing for Presidential Elections
- ◆ Required Disclosure of Campaign Spending



## EARLY MAJOR SUPREME COURT RULINGS ON CAMPAIGN FINANCE

- ◆ 1976 – Buckley v. Valeo:
  - Limits on Donations to Candidates
    - To prevent corruption or the appearance of corruption
  - No Limits on Spending by Candidates
  
- ◆ 1990 – Austin v. Michigan Chamber of Commerce
  - Recognized the distorting effect of big money on elections and the political system itself

## More Recent Changes

### 2010: Citizens United v. FEC

- Corporations, as well as individuals, have free speech rights
- Independent expenditures cannot corrupt because they are not coordinated with candidates or parties
- Allowed direct corporate and union spending
- Narrowly defined the kind of corruption (quid pro quo) that could justify limits on the First Amendment

### 2014: McCutcheon v. FEC

- Removed overall limit on number of candidates that an individual may contribute to
- An individual can give the maximum amount to each as well as to every candidate and to every state and national political party committee





## Where is the Money Coming From?

### Candidate-Controlled Funds

- Individuals
- Party Committees
- Political Action Committees (PACs)

### Outside Funds

- 527 Groups
- Super PACs
- 501(c)4 Groups

Candidates and their committees can accept money from individuals and from Political Action Committees. These contributions are controlled by the candidates and regulated by the Federal Election Commission.

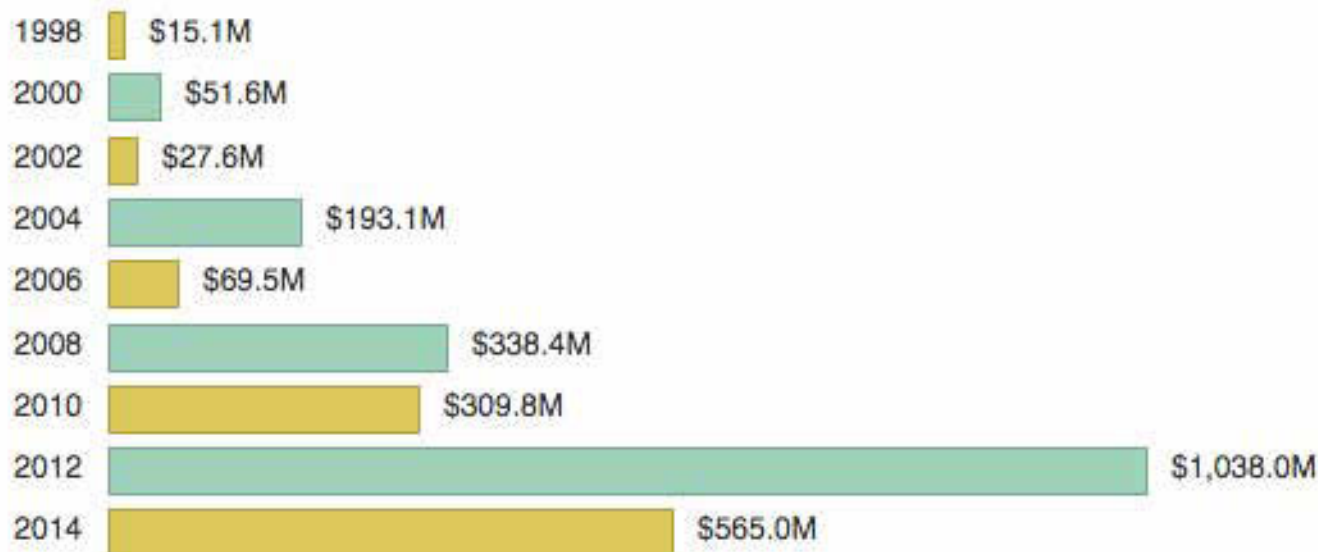
Other, outside groups can solicit and spend large sums of money on political activities that are not coordinated with candidates.





## Where is the Money Coming From? Outside Funds

# Outside groups' spending on federal elections, 1998-2014



*Excludes party committees*

Source: Center for Responsive Politics / OpenSecrets.org



## Where is the Money Coming From? Candidate-Controlled Funds

	2010	2012
Average House Winner spent	\$1,400,000	\$1,560,000
Average House Loser spent	\$680,000	\$540,000
Average Senate Winner spent	\$9,780,000	\$11,400,000
Average Senate Loser spent	\$6,500,000	\$7,400,000

Source: Center for Responsive Politics



## Amount of money spent opposing or supporting candidates in elections for federal office

- ◆ 2000 - \$3 Billion
- ◆ 2012 - \$6.2 Billion
- ◆ 2014 - \$3.8 Billion



## Present State of Affairs

1,907 Super PACs registered as of January 2016

- ◆ Total Reported Receipts: \$321,158,961
- ◆ Reported Independent Expenditures: \$112,396,037

Almost 50% of Donations Reported as of November 2015 Were NOT Subject to Limits

- ◆ \$277.8 Million in Unlimited Donations to Super PACs and 527 groups
- ◆ \$290.4 Million in Limited Donations
  - Individual Campaign Donations Limited to \$2700 per election

Sources: OpenSecrets.org and New York Times



## How many people provide this money?

- ◆ Only 10% of Americans have ever donated any amount of money to any candidate for any election
- ◆ In 2014:
  - ◆ Fewer than 1/2 of 1% of adult donors contributed between \$200-\$2599 (595,686 donors)
  - ◆ Fewer than 1/10 of 1% of adult donors contributed \$2600 or more (126,933 donors)

## The 1% of the 1%



In the 2014 elections, 31,976 donors - equal to roughly one percent of the one percent of the total population of the United States - accounted for an astonishing \$1.18 billion in disclosed political contributions at the federal level. Those big givers – who are designated as the “Political One Percent of the One Percent” – have a massively outsized impact on federal campaigns (Sunlight Foundation)



## Questions

- ◆ Why do a few people provide so much money to influence voters?
- ◆ What do they get for their money?
- ◆ How does this money affect our democracy?



## Where can voters get accurate information about candidates?

- ◆ [vote411.org](http://vote411.org)
- ◆ [votesmart.org](http://votesmart.org)
- ◆ Listen to candidate speeches on TV or YouTube



**And, of course**



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