

Money in American Elections

Democracy in Danger

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



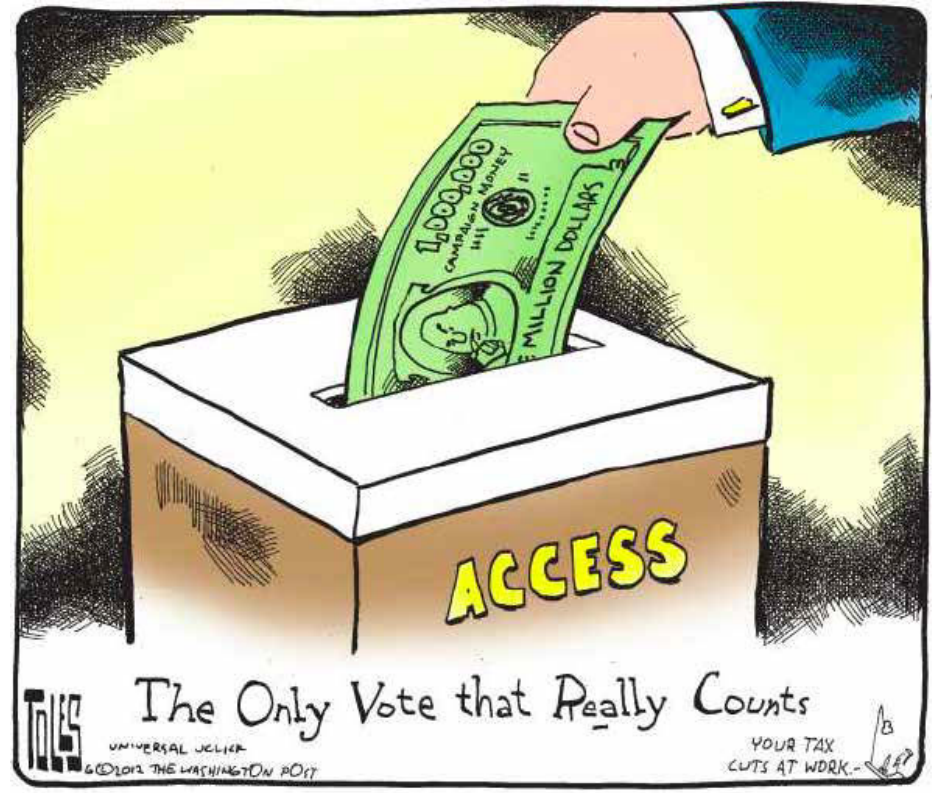
We believe that the vast amount of money influencing our political process places our democracy in danger!



Money in American Elections



- ◆ Why Is Money a Problem?
- ◆ How Much Money?
- ◆ Where is the Money Coming From?
- ◆ What Can We Do?



Why is Money A Problem?



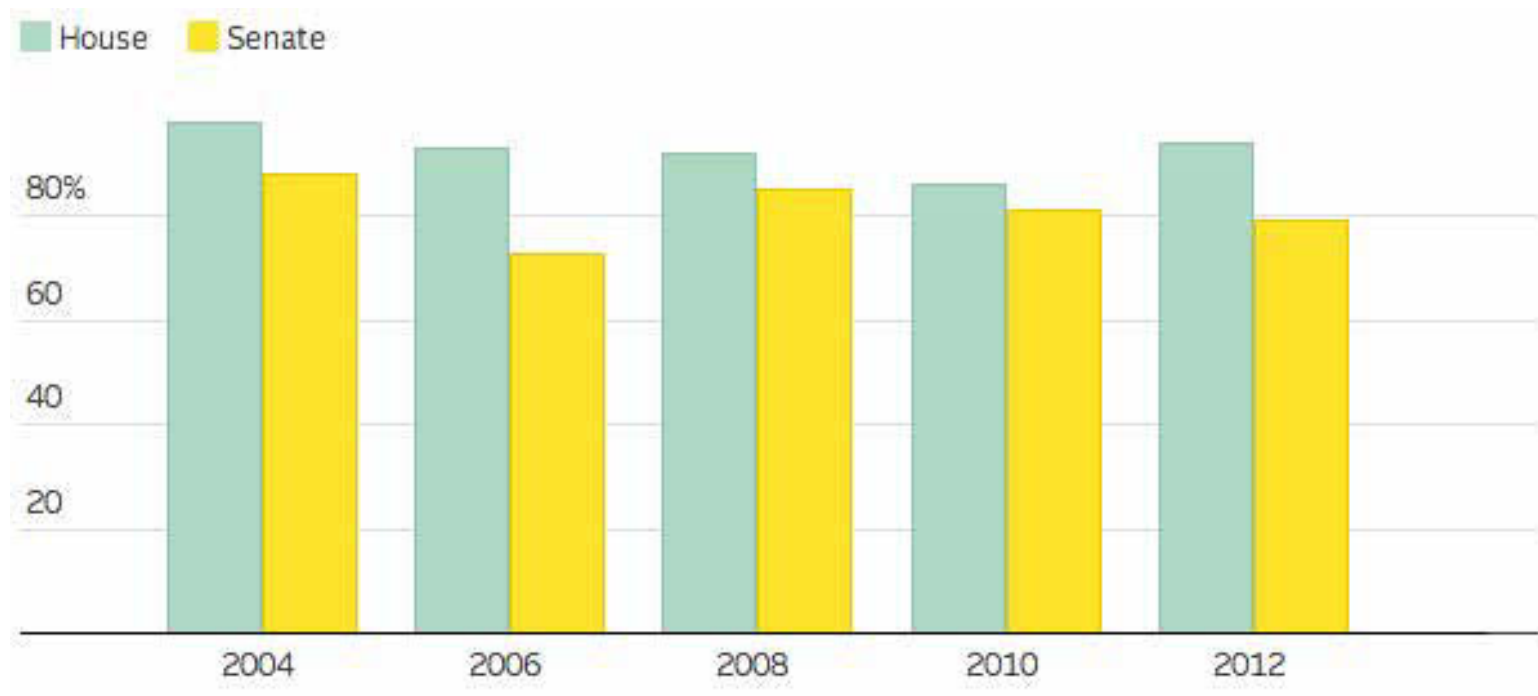
- ◆ Candidates must raise money to compete
- ◆ Office holders must spend time fundraising
- ◆ Contributions create bias toward donors

What's the Problem?

Uneven Playing Fields

How Often Does the Higher-Spending Candidate Win?

Nearly 80% of the Time



Sources: Center for Responsive Politics and Vox

What's the Problem?

Time Spent Fundraising

MODEL DAILY SCHEDULE - DC

<input checked="" type="checkbox"/>	4 hours	Call Time
<input checked="" type="checkbox"/>	1-2 hours	Constituent Visits
<input checked="" type="checkbox"/>	2 hours*	Committee/Floor
<input checked="" type="checkbox"/>	1 hour	Strategic Outreach
		Breakfasts, Meet & Greets, Press
<input checked="" type="checkbox"/>	1 hour	Recharge Time

HuffPost

- ◆ Guidelines recommend spending 50% or more of time soliciting funds
- ◆ US House incumbents need to raise about \$10,000 a week from the day they are elected [Nate Thames, Act Blue]

Source: Huffington Post 9 Jan 2013



What's the Problem? Donors Buy Access

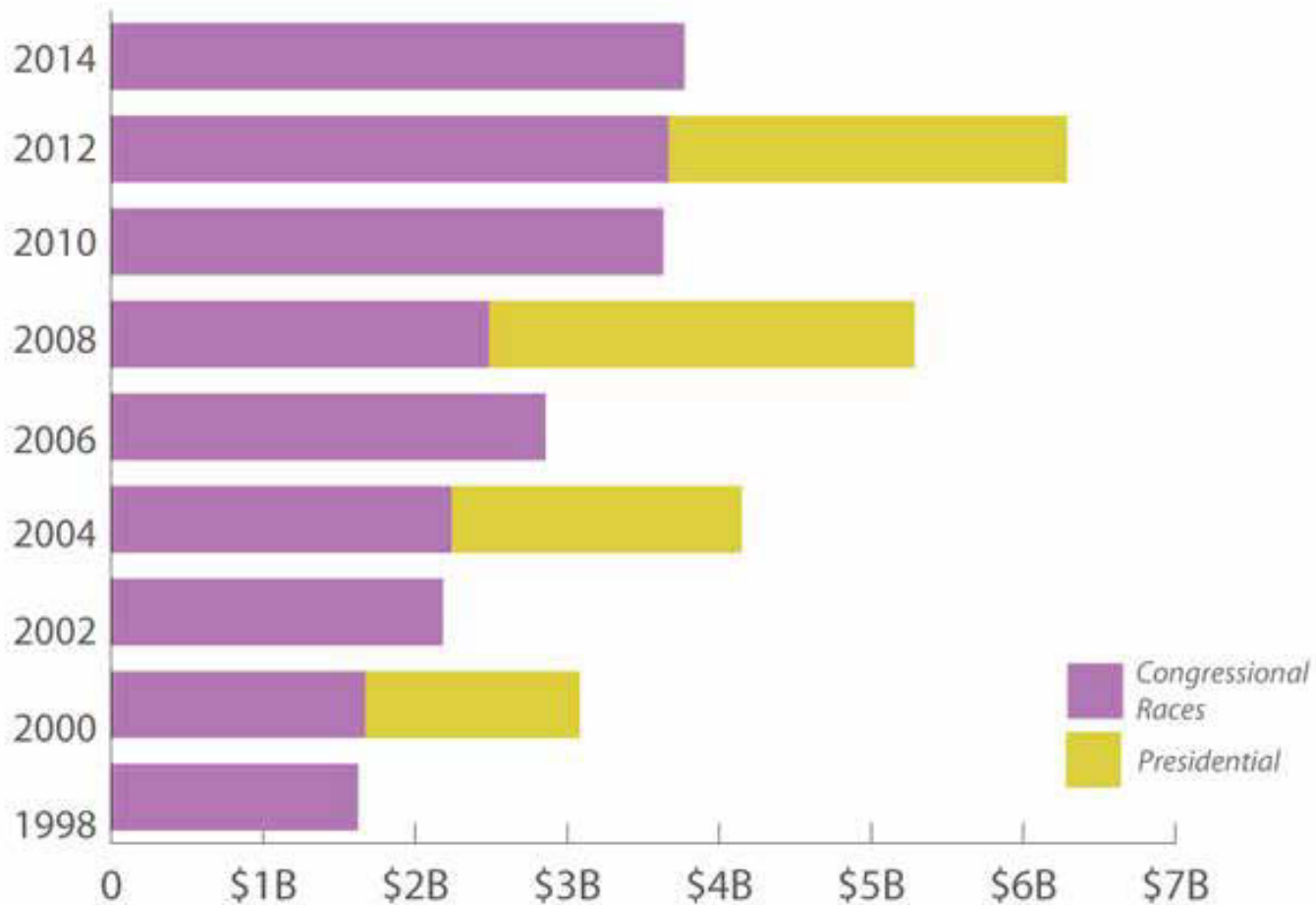
When Congressional staff know that meeting-seekers are donors, they are:

- ◆ 4 times as likely to be scheduled to meet with the Chief of Staff
- ◆ 2 times as likely to be scheduled to meet with the Member of Congress

How Much Money?



Total Cost of US Elections (1998-2014)



Source: Center for Responsive Politics



How Much Money? Reported Spending by Congressional Candidates

	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



Where is the Money Coming From?

Candidate-Controlled Funds

- Contributions from Individuals
- Political Action Committees (PACs) including Party Committees

Outside Funds

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



Where is the Money Coming From? Candidate-Controlled Funds

- ◆ Individuals
 - Limited Donations
 - Disclosure Required

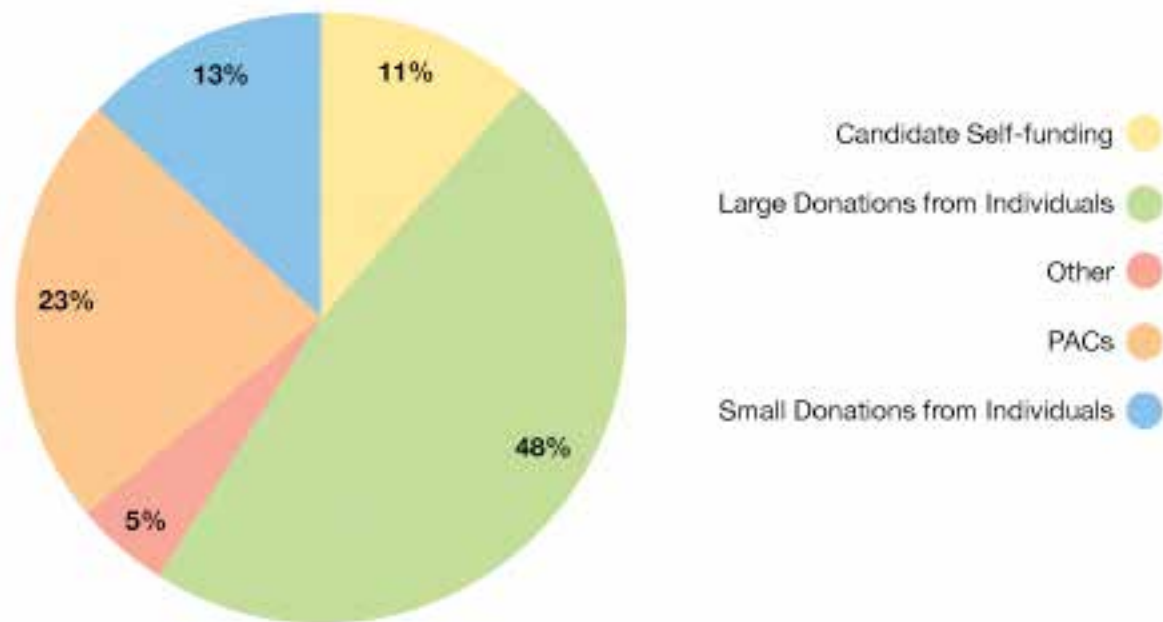


Where is the Money Coming From? Candidate-Controlled Funds

- ◆ Political Action Committees (PACs) including Party Committees
 - Limited Donations
 - Some Solicitation Restrictions
 - Disclosure Required

Where is the Money Coming From? Candidate-Controlled Funds

Source of Funds to 2010 Congressional Candidates



Source: Center for Responsive Politics



Where is the Money Coming From? Outside Funds

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



Where is the Money Coming From? Outside Funds

- ◆ 527 Groups – contributions & donors disclosed
 - Can collect unlimited amounts without restrictions
 - Can spend on issue advocacy and voter mobilizations



Where is the Money Coming From? Outside Funds

- ◆ Super PACs – donor disclosure requirement ineffective
 - Appeared in 2010 after Citizens United
 - Can raise unlimited funds from individuals, corporations, unions and others – unlike traditional PACs
 - Required to report activities, but donor identities are easily concealed

Where is the Money Coming From? Outside Funds



2014 Financial Activity for Super PACs	
Number of Super PACs	1360
Total Raised by Super PACs	\$696,000,000
Total Spent by Super PACs	\$346,000,000

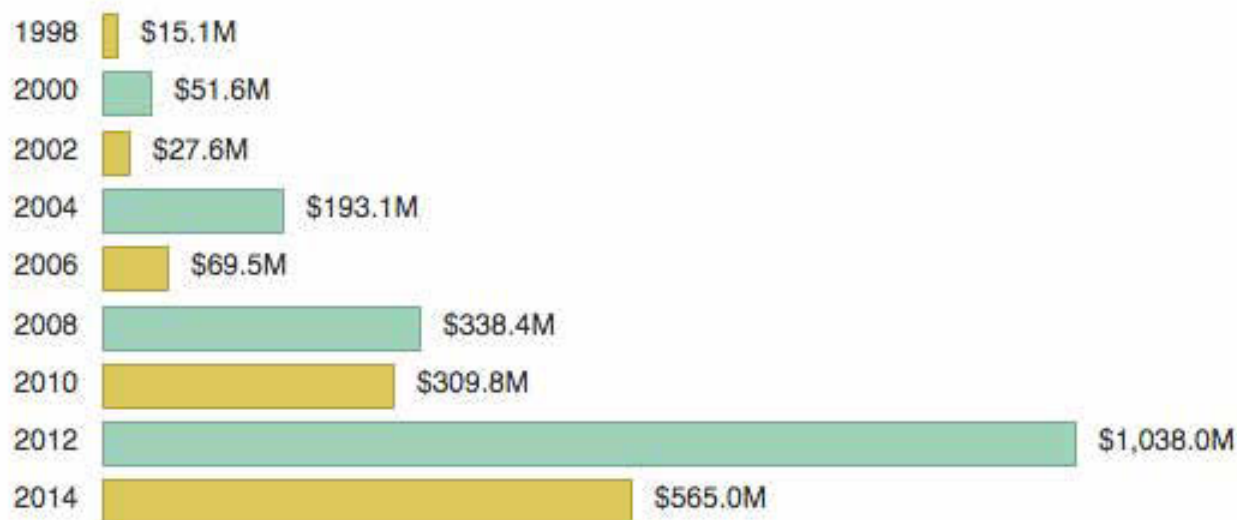


Where is the Money Coming From? Outside Funds

- ◆ Non-profit 501(c)4 groups – disclosure of donors not required
 - Primary activity is the promotion of social welfare
 - Can raise money from anyone and can spend any amount of money

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? From Very Few Individuals

Contributions to campaigns, parties and PACs in 2014:

- ◆ Fewer than $\frac{1}{2}$ of 1% of the adult population donated between \$200 and \$2,599
- ◆ Fewer than $\frac{1}{10}$ th of 1% of the adult population contributed \$2,600 or more

Amount Donated	Number of Donors (% of US Adults: 235,908,179)	Total
\$200–\$2,599	595,686 (0.25%)	\$433.1 million
\$2,600+	126,933 (0.05%)	\$1,234.2 million
\$2,600–\$9,999	99,206	\$455.4 million
\$10,000+	27,727	\$778.8 million
\$95,000+	1,281	\$192.1 million

2014

Source: Center for Responsive Politics



League of Women Voters National Position

The League of Women Voters of the United States has adopted the position on campaign finance that supports efforts to improve methods of financing political campaigns in order to:

- ◆ Ensure the public's right to know,
- ◆ Combat corruption and undue influence,
- ◆ Enable candidates to compete more equitably for public office, and
- ◆ Promote citizen participation in the political process.



What Can Be Done Federal Regulatory Changes

- ◆ Federal Communications Commission (FCC)
- ◆ Federal Election Commission (FEC)
- ◆ Securities and Exchange Commission (SEC)
- ◆ Internal Revenue Service (IRS)



What Can Be Done Federal Regulatory Changes—FCC

FCC should enforce Section 317 of the Communications Act (47 USC § 317) — Disclosure

- ◆ Requires on-air identification of the sponsors of all advertisements, political as well as commercial



What Can Be Done Federal Regulatory Changes—FEC

Replace FEC

- ◆ Seen as ineffective
- ◆ Should
 - Be non-partisan
 - Have odd number of commissioners
 - Regulate candidates, political parties, PACs, Super PACs, hybrid PACs
 - Enforce disclosure of donors



What Can Be Done Federal Regulatory Changes—SEC

SEC should regulate corporate political campaigning

- ◆ Should adopt rules to govern corporate political expenditures
- ◆ SEC decided not to rule on these changes in 2013



What Can Be Done Federal Regulatory Changes—IRS

- ◆ IRS should redefine the 501(c)4 rules that govern the political activities of social welfare organizations that are tax exempt
- ◆ League of Women Voters, a 501(c)4 organization, fully supports rapid action on an update



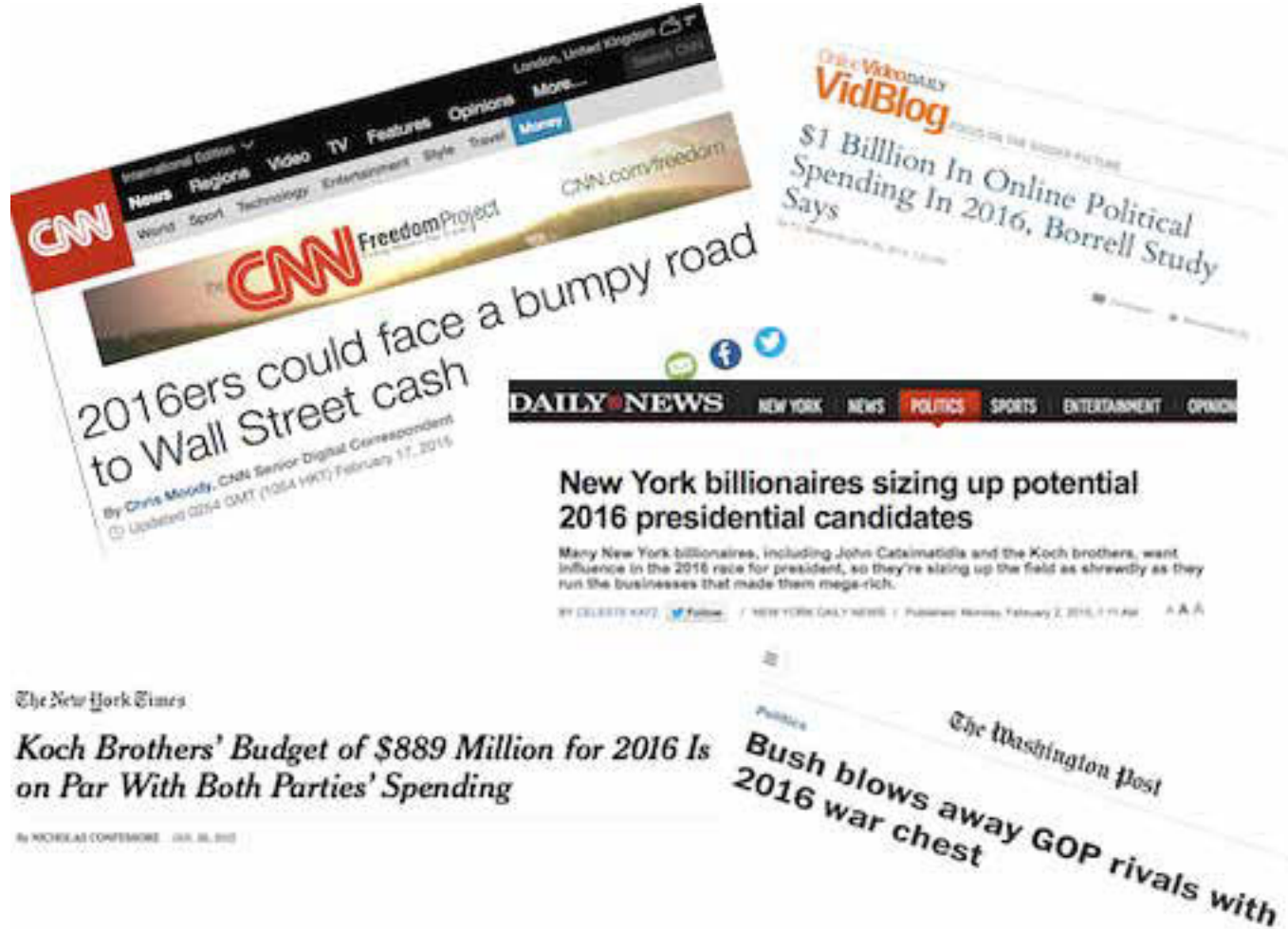
What More Can We Do Follow the Money & Keep Informed

Contact your legislators to urge action on current legislation

Find timely information about candidates by viewing

- ◆ the League's voter information at Vote411.org
- ◆ www.votesmart.org
- ◆ candidates' speeches on YouTube or other sources

The Outlook for 2016 Even More Money Pouring In



And, of course



Visit our website: www.lwvbc.org

See us on Facebook: League of Women Voters Boulder County