John C. Fortier and Michael J. Malbin*

An Agenda for Future Research on Money in Politics in the United States

Abstract: During the election season of 2012, the Democracy Fund asked the Campaign Finance Institute and Bipartisan Policy Center to convene a working group of scholars to recommend research priorities for funders over the next several years in the field of money and politics. Eighteen prominent scholars of political science, law, communications, and economics joined in the effort. They began with a shared premise: fundamental changes in politics, law, technology, and communications have made obsolete many of the research and policy frameworks that have guided past work. Given the depth of this change, these scholars saw the following as the most fruitful priorities for now. First, rather than focusing on individual research projects, urge funders to support creating an infrastructure of interrelated databases, many of whose key parts already exist. Second, continue looking at subjects likely to receive policy attention in the near term, including small donors and transparency. Third, generate a more detailed picture of the new campaign finance system. Finally, seek to have scholars come together across specialties to reflect on what has just occurred and where to go next, ideally on a regular basis.

*Corresponding author: Michael J. Malbin, Campaign Finance Institute and University at Albany, SUNY, Washington, DC, e-mail: mmalbin@cfinst.org
John C. Fortier: Bipartisan Policy Center, Washington, DC

Introduction

During the election season of 2012, the Democracy Fund asked the Campaign Finance Institute and Bipartisan Policy Center to convene a group of scholars to recommend research priorities for funders over the next several years in the field of money and politics. Eighteen prominent scholars of political science, law, communications and economics joined in this effort, bringing a variety of academic specialties to the table along with differing views about campaign

1 Our thanks go to the Omidyar Network’s Democracy Fund, and particularly to Joe Goldman, the fund’s Director who encouraged this project at every step. Thanks also to Adam Ambrogi, Investment Principal, who joined the Democracy Fund midway through this effort.
finance policy. Their goal was not to make policy recommendations but to assess what was most important to learn in a field that is rapidly changing.

The group held two all-day roundtable meetings to discuss these issues (December 1, 2012 and February 22, 2013.) As preparation, several were asked to write papers assessing what we know and need to know about some of the major sets of issues with the field. Others were lead discussants at the first meeting. Several thoughtful practitioners shared their insights at the second. The papers included ones on: (1) the influence of contributions on legislative policy; (2) money and competition; (3) public financing; (4) small donors; (5) political parties; and (6) the effects of technology. The edited papers and two of the discussants’ comments make up this symposium. A searchable bibliography has also been made available online. This report summarizes the project’s most important conclusions.

Intellectual Starting Points after 2012

An assessment of research needs normally would begin with a review of what we know. And this assembled group of scholars has identified broad findings from the campaign finance scholarship of the past 30 years. This enterprise, however, must be tempered by the sobering fact that the way campaigns are being conducted and financed has changed fundamentally since much of the old research was conducted.

When the Federal Act Campaign Act Amendments of 1974 were enacted, election campaigns were candidate-centered, the national political party organizations were weak, interest groups did little more than contribute directly to candidates, the communications environment was dominated by three major television networks, and the World Wide Web was 17 years in the future. The statutory and regulatory regimes enacted to manage that world, as well as the

2 The names of the working group’s members follow. Fifteen of the eighteen endorsed the report and have asterisks after their names. All contributed importantly to the group’s deliberations. The members were: Stephen Ansolabehere*, Bruce E. Cain*, Guy-Uriel Charles*, Anthony Corrado*, John Fortier*, Michael Franz*, Donald Green*, Samuel Issacharoff*, Kathleen Hall Jamieson*, David Karpo*, Ruth Jones*, Raymond La Raja*, Michael J. Malbin*, Kenneth Mayer*, Jeffrey D. Milyo, Nathaniel Persily*, Lynda W. Powell, and John Samples.
3 Our thanks to Reed Hundt, David Kirby, John Richter, Joe Sandler and Micah Sifry for sharing their perspectives.
4 http://cfinst.org/MoneyandPolitics_ScholarsAgenda.aspx.
An Agenda for Future Research on Money in Politics in the United States

reforms proposed over many of those years, were aimed to regulate that very different, and in many ways simpler world.

Due to these significant changes, our assessment of research needs is not primarily about filling in gaps. Rather, it is to understand the new world of the campaign finance as well as to develop the tools that might help one assess the newer types of policies that are being proposed and enacted to regulate this new world.

To help the working group think through these issues, individual scholars prepared commissioned papers in six areas of campaign finance, others have responded in writing to those papers, and the assembled group of scholars has held several lively and fruitful discussions about them. Below, this report speaks collectively for the participants indicated, summarizing the main points raised in each of these areas and then presenting the working group’s priorities for future research support.

Discussion Topics

Money and Influence

Much of the politically charged rhetoric over campaign finance has centered on the charge that campaign contributions buy policy results for the favored few. Press accounts regularly highlight interest groups contributing to legislators who favor their positions, suggesting that the contributions explain the public officials’ votes on legislation. But political scientists who study legislative behavior are typically dubious about these claims – particularly with respect to public roll call votes. There were a run of studies during the 1980s looking at the potential linkages between political action committee contributions and roll call voting behavior, reaching conflicting conclusions. Nevertheless, there is a general consensus among scholars today on the following with respect to roll call votes:

1. A plausible counter-explanation for the claim that a contribution affects a legislator’s vote would be that causality can run in the opposite direction, with donors favoring candidates already inclined toward their positions.
2. To test the claim that contributions alter votes, one must control for other potential explanations, including the legislator’s constituency, ideology and party.
3. After controls, the findings ranged from being weak in some studies to nonexistent in others.
4. Even when findings were positive, many of the studies were of votes some time ago – typically on amendments over which the political parties were divided internally. In more recent years, as both parties have become more ideologically unified, there have been fewer votes on amendments and party has become an even stronger predictor of roll call votes than it was in the past. It is therefore even less likely today that one would expect to find contributions – and especially contributions disentangled from lobbying – as explanations for public roll call votes.

The weakness of the findings of direct quid pro quos on votes should not be surprising. There are, however, scholars who have looked at subtler ways that donations may affect the legislative process. As Lynda Powell pointed out in her paper for this project, studies that focus on roll calls ignore the more likely (but harder to trace) pathways for contributions to influence public policy. These likelier paths occur earlier in the process, when committees and leaders shape the agenda, and when members can add little-noticed provisions to larger bills or take preventive actions to block items before public votes need ever be taken.

The most often-cited work on this point is Richard Hall’s and Frank Wayman’s 1990 article, “Buying Time.” The article concluded after studying three congressional subcommittees that contributions from political action committees were not used to convert legislators to positions they did not already hold, but they did help mobilize ones who were already predisposed to the PAC’s positions by helping to “buy the marginal time, energy, and legislative resources that committee participation requires” (Hall and Wayman 1990, p. 814). With members having more legislative business on their committees than they can handle, the decision to participate can be a key to what happens. Participating translates into the opportunity to offer amendments or undertake any of the other less visible activities that can make a difference. Those who did not participate did not have the same level of influence on a bill’s contents.

But in a 2006 article the same Richard Hall with Alan Deardorff presented an alternative framework for explaining the decision to spend time (Hall and Deardorff 2006). Rather than contributions directly buying the scarce time and attention of allies, the newer model portrayed effective lobbyists as working to supplement the members’ staffs, thus subsidizing the members by freeing their time to pursue issues of mutual interest. In this view, contributions were neither sufficient to buy time nor directly causal. Rather, the authors suggested, they might be seen as part of the process of maintaining a relationship with one’s allies or potential allies, helping the lobbyist gain the access needed to lobby. Hall is conducting research currently to clarify the role of contributions in the process, as are other scholars. This remains an active field of inquiry with unanswered questions.
To complicate matters further, Christopher Witko has argued that the influence of contributions is likely to vary with context (Witko 2006). Witko’s congressional research focused on the differences between less visible, non-ideological issues and more visible, more ideological ones. But differences across legislative bodies may be just as important as differences across issues. State legislatures and city councils are less visible than Congress, and their policy decisions are more likely to involve individual contracts or subsidies. And among the sub-national legislatures, the power arrangements – such as the role of committee or party leaders – may be quite different from one institution to the next. As a result, the paths of influence may be best understood by comparing legislatures to one another.

Lynda Powell’s recent book, *The Influence of Campaign Contributions in State Legislatures* (2012) does this through an analysis of a 2002 national survey of state legislators. Her book examines numerous ways in which the state legislators’ responses suggest that contributions influence what they do. By looking at multiple legislatures, she was able to consider the importance of institutional structure and party leadership in shaping both the time that legislators devote to fundraising and the influence donations have in the legislative process.

For the future, the scholars in this group emphasized the importance of multi-state, comparative analysis. But they also noted that one should not limit one’s analysis to testing the potential influence of direct contributions – whether to candidates or parties. Powell’s book was based on surveys that were in the field more than ten years ago. In light of the Supreme Court’s 2010 decision in *Citizens United*, it will be important to know whether and how independent expenditures influence party leaders, legislators, judges and other public officials. And whether one is considering contributions, independent spending, or other forms of political activity, some of the scholars suggested that case studies could be used along with survey research and other methodologies to get at the nuances and complexities of studying influence.

**Money, Competition, and Election Results**

As with the topic of money and influence, there is an apparent consensus in popular writing about the effect of money on electoral competition but the popular consensus is not shared among scholars. Much popular writing sees the presence or absence of money as a prime explanation for a race’s competitiveness or a candidate’s share of the vote. One often reads press accounts in which it is said that the candidate with the most money generally wins. This true statement
often comes with an unexpressed implication: that a lack of money is the reason most losing candidates lose. Election scholars universally would reject making such a unidirectional causal statement about money and outcomes. They would argue that most non-incumbent candidates fail to raise much money because potential donors know they have very little chance. The incumbent candidate may be popular, the district may strongly lean toward one or the other political party, or the candidate may have little political experience.

In those common situations, weak fundraising may be an effect rather than a cause. In addition, as Gary Jacobson and Samuel Kernell have pointed out (1983), experienced politicians who have the skill and previous political support to make them good candidates for higher office are not likely to abandon their current positions to tilt at windmills. They will take the potentially risky step of running only if they believe the conditions offer them a reasonable chance to win. Thus, there is some circularity to the process. The kind of person more likely to be a good fundraiser is likely to run only when a race looks potentially competitive. At the same time, most potential donors are more likely to give where they think the candidate has some chance to win. As a result, the relationships between money and competition are both complicated and reciprocal.

All election scholars would agree that if one wants to tease out the independent effects of money on a candidate’s percentage of the vote, one would (at a minimum) have to control for the other main elements in the race’s political context that independently affect election outcomes, including the quality of the candidates running. Once one applies all of the proper controls, the connections between money and a candidate’s vote share is much weaker than it might seem in popular treatments. But to say the relationships are weaker is not to say they are non-existent. Exactly how important are the relationships, and under what conditions, has been the subject of much scholarly dispute. For example, James E. Campbell (2003) has argued that congressional incumbents’ ability to raise money helps explain incumbency advantage, even after the proper controls. Gary C. Jacobson (1978, 1980, 1985, 1987, 1990) had an ongoing dispute with Donald P. Green and Jonathan Krasno (1988, 1990) in which both sides agreed that extra marginal money was helpful for challengers, but Jacobson questioned its value for incumbents while Green and Krasno said that even though the marginal value of the incumbents’ money may be lower than for challengers, it is nevertheless real.

Jeffrey Milyo’s essay for this working group said that more recent scholarship suggests that money is equally important for all kinds of candidates, whether incumbent, challenger or someone running for an open seat, but that money has a diminishing effect for all of them as the amount of money goes up. The fact that incumbents typically start off with more than most challengers will ever raise helps explain why it looked to previous scholars as if money meant more for the
challengers. Once a race is in the top tier of competitive races, the incremental $5000 contribution, or even the incremental $100,000, has only a small effect. However – depending upon which of several disputed models one used – an additional $1 million in a House race could make for a full percentage point change in a candidate’s vote share, which could be enough to tip the outcome in a close race.

Milyo’s summary points to several problems with the research so far. However one might have resolved these scholarly disputes a decade ago, none of the earlier models account for some key features of the new landscape. Specifically, late cash infusions of $1 million in a close congressional race are more likely to come from independent expenditures than from the candidates, but all of the past research models have looked only at candidates’ spending. Some political pundits have tried to correct for the problem in recent elections by adding all of the independent spending to candidate spending as if all of the dollars were equivalent. However, we know that spending by independent organizations generally is not as efficient as candidate spending. To complicate matters, we know that different kinds of candidate and outside group spending will be more efficient in different races for different kinds of activities (e.g., persuasion versus voter mobilization) or in districts with different communications characteristics.

In theory, one could perhaps resolve these problems with estimations that assigned relative weights to the value of a dollar’s spending on specific kinds of activities by candidates, political parties and non-party independent spending groups. The task, however, would be extraordinarily difficult because the estimates would vary with the communications characteristics of each constituency, and then would vary over time as the communications technologies available to different types of spenders change. It once may have been possible to ignore cross-district variations by assuming that opposing candidates would face roughly equivalent campaign environments with roughly similar types of campaign organizations. One cannot make these assumptions when including independent spending by national organizations with geographical flexibility and differing campaign capabilities.

These issues, together with the ambiguity of older research findings, led the working group to deemphasize the priority they would place on disentangling the relationships between money and competition. Perhaps these issues could all be resolved, but the bigger question is how important a priority is it to do so now. Competition, Milyo argued, is not an end in itself. We care about competition because we believe that it produces other goals that we value, such as more responsive public officials or better informed and more engaged citizens. If these are the matters that drive the interest in competition, then we can get to the real concerns more easily through comparative state-level research that concentrates on them directly.
Public Financing

The discussion of competition segues smoothly into one about public financing. The first public financing programs for candidates in the 1970s were not seen primarily as engines of competition. After Watergate, the federal government and a number of state governments began imposing contribution limits to reduce the dependence of candidates of major campaign donors. Public financing would replace the lost private money from supposedly corrupt or suspect sources, thus assuring that potentially well-funded candidates would not be less able to compete than they were under a purely private system. However public financing also increased the money flowing to financially strapped but otherwise strong candidates – typically ones who were seen as underdogs in a potentially competitive race. Early examples would include Ronald Reagan in 1976 and George H.W. Bush in 1980. As a result, supporters of public financing often argued that more underdog candidates could become serious competitors with public funds than would be the case under a purely private system.

Interestingly the claims about competitiveness in the presidential public financing system mostly related to the use of matching funds during primaries at a time when all serious candidates were participating in the system and accepting its spending limits. The full public financing systems used for the general election for the presidency, and for some gubernatorial general elections, were not thought primarily to be about increasing competition because the major party general election candidates for these peak offices were already likely to be visible and competitive. No other elections at the time used full public financing. This changed when Maine (2000), Arizona (2002) and Connecticut (2008) adopted voluntary full public financing (“Clean Elections”) for legislative candidates.

Most challengers in state legislative elections (as well as in the US House of Representatives) have low name recognition and find it hard to raise money. As a result, predictions were widespread among the newer programs’ supporters that full public financing grants would bring more potentially strong candidates into the system and therefore enhance political competition. Research findings so far have been mixed. Neil Malhotra (2008) found in Arizona and Maine that, “clean elections programs in both states significantly increased competition in districts where challengers accepted public funding.” The US Government Accountability Office (2010) similarly found that “winner’s margin[s] of victory decreased significantly in both Maine and Arizona as compared to their respective comparison states after public financing was available.” However, the GAO also said that it “could not attribute these decreases to the public financing programs due to factors such as the qualifications and experience of the candidates and Presidential and other top-ballot races.”
Kenneth Mayer’s essay for the working group similarly leaned on the side of modesty in its conclusions about competition. “The results show that clean elections laws in particular have increased some measures of competitiveness in state legislative elections, primarily by reducing the number of uncontested seats and slightly reducing the incumbency advantage,” he wrote. However, Mayer also argued: “There is little evidence that contested elections are more competitive or that incumbent reelection rates have declined.” The basic research problem is similar to the one in the previous discussion about competition. As Mayer notes, there may well appear to be positive relationships that prove to be spurious, weak, or unclear. It is virtually impossible to disentangle public money’s independent effect on competition in a clean elections system, separated from the many other factors that can persuade potentially qualified candidates to run and raise money.

Whether these methodological issues can ever be resolved, the consensus among the scholars – as with respect to competition more generally – was that doing so would not be among the highest priorities for research in the near term. This is particularly so since the Supreme Court’s recent decisions make it easier for organizations to raise unlimited contributions for independent expenditures, while at the same time prohibiting states that use full public funding grants from offering supplementary “trigger” grants to participating candidates who are faced with opposing independent expenditures. After these court decisions, most proposals for new public financing systems see public money as offering partial support for candidates within a system that includes limits on contributions but not on overall spending.

However, competition is not at all the only important benefit that may flow from public financing (even if political science research may have dwelled on it). Moreover, full public funding is not the only form of public financing. Two other important claims relate to policy and participation. With respect to policy, supporters of public financing often claim that public financing will remove the need felt by some legislators to skew the policy agenda or decisions to favor major donors. Mayer argues that “while it is easy enough to find [individual policy] stories of such effects, it is much harder to trace policy shifts to public funds as a causal mechanism.” He goes on to say, “While it is always possible that campaign contributions will play a significant or even a decisive role in governmental decision making, it is more likely that contributions are only one piece” along with lobbying and constituencies.

This nuanced conclusion is shared by most scholars of the policy process. It is consistent with the ones noted earlier about the influence of contributions more broadly. Finally, Mayer’s paper discusses the impact of another form of public financing – small donor matching funds – on participation, noting Malbin’s
research that shows appropriately designed matching funds to be associated with participation by larger and more diverse pool of small donors. This subject will be discussed further in the next section, on small donors.

Small Donors and Citizen Participation

Donors who give relatively large contributions ($1000 or more) provide most of the money in most US elections. This has led some in the policy world to ask whether additional participation by small donors might act as a significant counterweight. Two mechanisms for stimulating small donors have received particular attention: Internet-based fundraising and small-donor matching-fund forms of public financing. The major questions to be asked are whether a large enough number of small donors might participate to make a difference, under what conditions, and with what consequences.

The research so far is sparse. Consider Internet fundraising first. The marginal cost of sending a message to a large audience is much lower with email, but successful communication still requires an address list which in turn requires infrastructure. So far, the candidates with the money and time to develop their own lists have mostly been presidential candidates. Many of the candidates for lower office who raise significant amounts from small donors have relied on intermediary organizations that develop their infrastructures over a longer time period.

This dynamic has had important effects. First, Internet fundraising has not had the full democratizing impact on US politics that initial enthusiasts had predicted (e.g., Trippi 2004). The issues relating to representation were discussed in two of the working group’s papers – David Karpf’s on technology and Michael Malbin’s on donors. Karpf noted Schlozman, Verba and Brady’s finding that “the Internet may be bringing in more small donors, but it is not bringing in a less affluent set of small donors” (Schlozman, Verba, and Brady 2012, p. 505). Malbin said that even granting this conclusion, both online and offline small donors had substantially lower incomes than the donors who supply the bulk of the money to most candidates. This means that a system with more of its money coming from small donors would perforce be more representative economically than the current system.

Of course, demographic representation is not the only important form of representation. Karpf argues that Internet donors tend to be mobilized by clusters of activist networks whose participants are more polarized than most Americans. Malbin argues that this polarization effect does not apply to small donors. While it is true the top three recipients of small donor contributions among congressional
candidates in 2012 were polarizing figures, the top 50 were randomly distributed within their parties ideologically. In state elections, Wesley Joe et al. found in parallel surveys of non-donors and donors in state elections that small donors tended to be less polarized on the issues than large donors (Joe et al. 2008). In addition, there is no evidence that small donors to presidential candidates have been more polarized than those who write checks of $1000 or more.

Unresolved issues related to donor mobilization run as an undercurrent through the discussions about small donors. Several in the working group referred to Markus Prior’s excellent book on cable television (Prior 2007). Prior argued that more channels, and greater viewer choice, have led to a decline in inadvertent learning. Viewers uninterested in politics choose entertainment over public affairs. In contrast, users who deliberately find their own way to political or news programming tend to be more interested in politics and more polarized on the issues than the general public.

But the analogy to cable TV, though intriguing, is not quite on point. Prior’s study may be fairly compared to what is known about those who visit websites on their own initiative (Bimber and Davis 2003). Donors, in contrast, typically have to be mobilized (or asked) and given a structured way to respond. As noted, this so far has favored bundling in US House and Senate elections. But President Obama was able to build a more direct line of communication to potential donors and then to multiply those connections through peer-to-peer recommendations among supporters (“mini-bundlers”) who recruited like-minded friends (Corrado et al. 2010). Karpf notes that we do not know how large a campaign must be before a candidate can gain the visibility or resources to make this process work.

This suggests that the dynamics of fundraising depend in part upon the resources and incentives of those who do the actual mobilizing. If one were concerned about the potential for polarization by intermediaries, a policy response might be to increase the candidates’ incentives to reach out to potential small donors directly. These kinds of incentive effects are behind the expectations of the advocates for small-donor public matching funds. So far, the only research about these has focused on New York City, which has the country’s longest-established multiple-matching fund system. The city’s system has increased both the number of small donors and their proportional importance to candidates (Malbin, Brusoe, and Glavin 2012). In addition, the donors are also more likely to come from poor neighborhoods with high minority populations (Genn et al. 2012).

These findings are intriguing but need confirmation. The interest in small donors is relatively new among scholars. Now that additional jurisdictions have looked at or adopted multiple-matching funds, comparative data analysis is possible. In addition, experimental research might tell us more about what stimulates (or might stimulate) small donors to give, while surveys could investigate
whether bringing new small donors into the system has a lasting effect on other forms of their political participation. As Karpf’s and Malbin’s essays both say, it is important to know not only who gives, but what else these people do. We need to know whether their giving has a lasting effect on their political and civic participation or on the political system.

Independent Spenders

On the other end of the spectrum from small donors are major donors who give unlimited contributions to SuperPACs and nonprofit advocacy organizations. When the Supreme Court held in Citizens United (2010) that corporations have the right to make unlimited independent expenditures, and a Court of Appeals followed (in SpeechNow) by saying individuals may give unlimited contributions to independent expenditure committees, public commentary focused repeatedly on the effect this would have on the power of large corporations. President Obama flatly predicted a “corporate and special interest takeovers of our elections” (Obama 2010). Most scholars of money and politics did not expect this to happen; a forthcoming article by Samuel Issacharoff and Jeremy Peterman explained why (Issacharoff and Peterman 2013).

For at least the past 25 years, political scientists have seen interest groups active in the political arena as choosing one of two major strategies (Sorauf 1988, pp. 98–100). One strategy is to make election contributions to maintain access to incumbent lawmakers. Groups who pursue this strategy are generally active in the policy process to pursue incremental material interests. They give most of their money to incumbents and will give to members of both parties. If they become unhappy with an incumbent, they generally will not go all out to defeat that person. They reward friends and try to avoid making enemies. As a result, they rarely make independent expenditures. The PACs of publicly traded corporations and single-industry trade associations typically fall into this group.

The other strategy focuses on winning and losing elections and is pursued by groups who have ideological or issue-based goals. These groups are more likely to be partisan and, like the rest of American politics, are becoming more so. Their primary interest in elections is to help put like-minded people in office to shape the broader legislative agenda. These groups will support challengers and long have been willing to make independent expenditures.

As a result, it should not have been a surprise that most of the new independent spending in federal elections in 2012 appears to have been funded by wealthy individuals and privately held companies rather than large, publicly traded
corporations. That parallels what happened in 2004, when “527” committees were in vogue (Boatright et al. 2006). It also parallels what has been happening in state elections. Independent spending has certainly been on the rise in the states, but the rate is no greater in states that permitted corporate spending before *Citizens United* than in ones that had banned them. Whatever the explanation, it was not *Citizens United*. The real growth has not been in the corporate sector but among national organizations that act as extensions or allies of the political parties, as well as among issue and ideological groups (Hamm et al. 2012).

While there has been some past research on independent expenditures, the quick rise of large scale independent ideological and issue-specific spending means that there is not enough relevant research on one of the most important new developments in campaigns or on their impact on government. What influence, if any, do these independent expenditures have on candidates? Do independent expenditures for a candidate or against their opponent influence any aspects of a winning candidate’s legislative behavior? If independent expenditures are found to have influence, are the effects different or the same as those of direct campaign contributions?

But beyond these broad-scale research questions, the working group noted the difficulty of merely describing the organizations, along with their networks and interactions. Much of the activity is beneath the surface, with funds passing through several hands, across jurisdictions, and oftentimes undisclosed. While we are sure this is where the action has been, we are not yet able to map it out well. Doing so should be a priority.

**Political Party Networks and Interest Groups**

As noted at the beginning of this essay, the national political parties have become more important participants in election campaigns than they were 40 years ago, when the current campaign finance structure was enacted. Moreover, the parties extend well beyond the formal committees that bear the parties’ name, with scholars increasingly describing them as “party networks,” with networked organizations apparently becoming a more important part of the whole in recent years (Monroe 2001; Koger, Masket, and Noel 2009, 2010; Skinner, Masket, and Dulio 2012). In the 2012 election, close allies of House and Senate party leaders organized Super PACs that received unlimited contributions but that functioned in many ways as if they were equivalent to the independent spending units within the six national party committees. In state elections, the biggest increases in independent spending since 2006 have been fueled by the Republican and Democratic
Governors’ Associations (RGA and DGA), two national organizations of state public and party officials that collect unlimited contributions centrally, move the money across state lines, and spend the money to influence competitive elections through the most effective channels any particular state’s law will allow. Below these are party-allied organizations that invariably support candidates of one or the other party and pick races with an eye toward securing their party’s majority. The two Crossroads committees (American Crossroads and Crossroads GPS) were good examples in the federal elections of 2010 and 2012. Next are the factional organizations, such as the Club for Growth or Freedom Works, which support candidates of only one political party but also have the goal of strengthening one party faction over others. Finally, many issue and ideological groups (along with some umbrella business organizations and labor unions) have found their political interests increasingly tied to the political parties. Some of these ideological organizations at the state level have even become the recipients of money from the RGA, DGA or other party allies, or have become their partners in formal coalitions.

In light of these developments, Raymond La Raja (who authored the essay on political parties) says it is important to move toward a research agenda that will help us understand the complex relationships among the many moving pieces in the various party and interest group networks. He is one among many in the group who argue that it is crucial to develop comparative state databases of campaign finance laws that can work together with existing databases of campaign receipts and expenditures. The purpose would be to let scholars move beyond looking at the effects of money on individual candidates to understand the effects of campaign finance legal regimes on political systems and sub-systems.

La Raja specifically wants to know whether states with more permissive or “party-friendly” regimes are ones that produced less polarized candidates, less polarized donors or more direct citizen contact through party-sponsored voter mobilization. Does the rise of independent spending “weaken” political parties and, if so, do the effects vary with state campaign finance laws? While not everyone in the working group saw interest groups and parties in the same way nor would they all anticipate the same answers, everyone agreed with the importance of asking these and other systems-level questions, and with tackling the issues they raise through comparative analysis across the states.

**Technology**

The final subject on the working group’s agenda was the effect of the Internet and other transformative technologies. Portions of this discussion were
referenced earlier in the section on small donors. Much of the rest highlighted the difficulty of following traditional research strategies in this rapidly changing and important subfield. Clearly, modern communications techniques are having important effects that reach well beyond fundraising. Deep data mining capabilities help campaigns target their messages far more precisely. Techniques that now let commercial advertisers reach individuals through ads that appear inside the customer’s emails and social network accounts could soon become affordable for personally targeted television advertising. These ads could be used not only for persuasion but for voter, volunteer, or donor mobilization. The culture of experimental field testing may be expected to produce measurably more refined targeting and messaging. The cost per communication may go down, but taking advantage of the technology will presuppose money and sophisticated planning. These are not capabilities most temporary campaign organizations will soon afford.

David Karpf’s essay for the working group noted several challenges that are particular to this subject of research. Standard time-series research does not work because the subject changes too quickly, compromising the validity of any comparisons across elections. In addition, he noted, most of the “high quality “big data” [are] proprietarily held.” In addition, he said, any quantitative work “must be carefully paired with qualitative methods and field observations in order to support theory-building and offer robustness checks.” The institutions, technologies and methods of operation are changing so quickly, the qualitative studies will be needed to understand better the phenomena that cannot be measured. With these caveats, he nevertheless concluded that the very fact that there is “a lot we do not know ... makes it an especially exciting field of inquiry.”

A few subjects cry out for study. In a broad sense, the field needs more research on how the mode of electronic communication or social media communication changes the way in which campaigns interact with voters and what the voters receive from those communications. In soliciting funds, gathering volunteers, allocating resources, persuading groups of individuals to vote, these new modes of communication are being employed by campaigns, but we do not know enough about the effectiveness of technologies or how new modes of communication affect the voter in comparison to more traditional modes.

The study of these new technologies and their effects is in its infancy. In addition to considering the potential effects of new communications on individuals, the working group raised several questions about the effects on the relative power of a variety of political institutions. Two examples follow.

1. Given the advantages that a large, ongoing organization can bring to the table in a world that depends on big data linked to individuals’ addresses, does this mean the political parties will assert a greater role in developing and
maintain the needed files, or will this become a domain dominated by other large organizations? If the latter, are these more likely to be organizations functioning within a party network, factional organizations fighting for party control, or issue and interest groups concerned more for their narrow issues?

2. As communications delivery systems change, we assume that so too will the effects. But beyond this very general observation, we do not know what will be the balance between traditional broadcast advertising and the newer, more targeted social media or personally targeted visual programming media. Will the tone and content of communications change as the delivery platforms change? Will this alter the balance between persuasion and mobilization? Do the answers to these platform-specific questions change if a message’s financial supporters are transparent or secret? All in all, the breadth of what we do not yet know seems even wider when one joins these observations about technology with the others noted throughout this essay so far.

Future Research Priorities

With so much change, of course, the possibilities for research could be endless. But with finite resources and competing claims, it becomes crucial to set priorities. Rather than attempt the impossible task of predetermining research designs, we suggest instead that those who evaluate research proposals do so with a template in mind for setting near-term to mid-term research priorities. The suggested template had three basic categories: (1) strengthening the research infrastructure to stimulate more research from scholars of all perspectives; (2) singling out a few research areas that should not be asked to wait for a new infrastructure because of their potential importance on both sides of some current policy deliberations; and (3) encouraging venues that will encourage scholars to gain a broader understandings of the longer-term, systemic effects of the new political environment in which campaign money is being raised and spent.

Infrastructure

The working group’s members repeatedly noted that the questions they wanted to ask required one to reach across jurisdictions, time, or datasets for information that is not currently available in useful formats. Their first priority, therefore, was to develop an infrastructure of material that will in turn stimulate scholars to investigate a much broader range of questions than they can now investigate feasibly.
For example, there is a substantial scholarly literature written by scholars who have varying opinions about the effects of campaign finance laws. (For bibliographies see Stratmann 2005; Samples 2006; La Raja 2008) Whether one agrees with the skeptics or with alternative views, one of the best ways to test the effects of laws is to compare otherwise similar systems that have different laws. So far, this has been extremely difficult. As a first step, one will need a database of campaign finance laws across jurisdictions over time. Additional data will be needed for the state legislatures, elections, and whatever other variables future scholars may wish to test. These have to be compiled in a format that will let the new information be merged easily with upgraded datasets for campaign contributions. Rather than choosing among specific research projects, we see a stronger infrastructure as stimulating large numbers of papers and articles ranging widely in subject matter and written from all perspectives.

The problem is that building – and even worse, maintaining – a dataset for others to use is a thankless task for young scholars whose careers will be judged on the theoretical novelty of their peer-reviewed publications. Academic incentives drive scholars to milk existing datasets, not to build new ones for others. One high priority, therefore, should be to support infrastructure development that will facilitate other important research. Examples might include projects that do the following:

- Continue efforts already started to identify all individuals and organizations giving or spending money in federal and state elections with unique identifying codes to allow their activities to be traced across different jurisdictions and kinds of activity.
- Create databases of state campaign finance laws, over time.
- Continue and expand upon existing databases of state elections. Assign the same identity codes to candidates across elections and campaign finance databases.
- For current and future election cycles, enrich the elections databases to include racial, gender and career background information for each candidate.
- Assign geographical codes to donors, permitting the donor databases to be merged with an array of national databases with geographically coded information.
- On the federal level, bring together material that now exists across a variety of federal agencies (FEC, FCC, Department of Labor, Department of Justice and IRS) into a unified information system.
- Scholars ultimately would be interested in datasets that measure policy outputs. This would be an ambitious project involving longer term planning.
- Foster more systematic collaborations between scholars who use and produce data and other major data producers. The basic campaign finance data, with
unique donor and recipient IDs, should be included in a common data source with the newly created material. The resource should be overseen by a board of scholars and be made freely or readily available for scholarly use. The resource could be built cumulatively. As scholars combine existing material with new data, there should be an expectation that the new data will also be made available generally in an appropriate format.

Research that speaks to important and clearly foreseeable policy issues

Of course, some issues will not wait for new infrastructure. A few seem to be ripe for legislative or regulatory action in the near term. The public’s deliberation on them would benefit from more research while the issues are active. Two subjects were at the top of this list – small donors/small donor public financing and disclosure – with others relating to contribution limits and to party and non-party organizations also deserving mention.

a) Small donors and small-donor-based public financing: Advocates who favor using public funds to assist candidates have shifted their most frequently introduced model away from full public funding toward systems of partial matching funds that draw upon New York City’s experience. The leading federal election bills all use this approach, as does a bill currently on the agenda in New York State. Los Angeles had adopted a variation of this approach and Seattle’s City Council is likely to put in on the ballot for public approval this fall. Two types of studies would be important: ones on small donors generally and others on the impact of matching fund systems that multiply the importance of small donors to candidates.

- Donors’ Motivation, Mobilization, Demographics and Political Attitudes: We need to know more about what stimulates potential donors, in particular small donors, to become actual donors. Experimental research should be encouraged to tell us about the effects of specific prompts, as they have in past studies of voter mobilization. Geographic mapping of donors can help us learn more in a preliminary way about donor demographics across jurisdictions, but surveys of donors and non-donors are needed to get individual-level portraits of the donors’ demographic characteristics, political leanings, and their political and social participation.

- Candidates and office holders: It would be valuable to learn whether candidates and office holders who raise money from small donors behave differently while they are running or while they are in office. Does relying on small donors affect how public officials represent their constituents? Surveys and
other methods could be designed to test systematically for candidates who raise small contributions under fully private or publicly funded systems, or who raise money through different fundraising modes. A survey of candidates could readily be combined with a survey of donors (see above). Other forms of research could be used to test whether relying on small donors promotes polarization under differing fundraising conditions.

- Contributions and citizen participation: How does giving (especially small donor giving) influence or relate to other forms of participation beyond voting (e.g. volunteering, other forms of activity in the public sphere)? Does the act of giving or putting “skin in the game” increase one’s propensity to become active, or are the donors already people who are engaged fairly fully? Does bringing a new donor into the system heighten a community’s political and civic capital in a manner that has durable impact?

b) Disclosure: Citizens United led Congress and the legislatures in several states to consider bills that would extend transparency to entities and activities not previously covered by disclosure law. While opinions about disclosure are held and expressed strongly by those who support and oppose extending its coverage, the fact is that current research on disclosure is fairly sparse, pointing to contrary results. (Compare, for example, Dowling and Wichowski 2013 with Primo 2013). In light of the issue’s importance, therefore, it would be valuable to know at least the following:

- How (through what intermediaries) do voters receive information about the sources of campaign funds?
- How does the information received affect the voters’ evaluations of candidates, donors, or issues?
- To what extent does disclosure deter potential individual and institutional donors from participating? Can one determine whether the level of deterrence varies with the amount given? For example, as La Raja suggests (2012), are small donors particularly likely to be deterred by low disclosure thresholds that make personal information available on the Internet? Can empirical research help predict the likely effects of requiring donor disclosure from politically active 501(c)(4) advocacy organizations?
- Do differences among states’ laws concerning contributions to candidates and political parties affect disclosure? For example, do states whose legal regimes favor fundraising by formal political party organizations also produce higher proportions of donor disclosure by steering money toward the parties and away from 501(c)(4) organizations? Or once the legal vehicles have been created, does the incentive for non-disclosure flow primarily from the wishes of major donors?
c) Contribution limits: Several states are looking at bills that extend transparency to entities and activities not now covered by disclosure law, while at the same time increasing the limit on contributions to candidates or political parties. The growth of Super PACs – especially single-candidate Super PACs – raised questions in the minds of all scholars in the working group about the relevance of past studies on the effects of contribution limits in the contemporary world. This led to a downgrading of contribution limits within the “contemporary policy issues” group of research recommendations, even though the issue will clearly be on the policy agenda. It also led to an acknowledgment of the importance of thinking broadly about system-wide issues (see below).

d) Organizational and systemic effects: It is clear that the contemporary campaign finance environment is having a strong impact on the role and structure of political parties and non-party organizations. A database of state laws would stimulate important research on the effects of differing campaign finance legal regimes on the structure and role of political party, party-network, and non-party organizations. Research probing these effects should be encouraged. In addition, we see this subject as figuring prominently in the “conversations and brainstorming” section below.

Mapping out the New World of Political Finance

The change from a party- and candidate-centric campaign finance world to today’s multiplayer system has not happened all at once. Yet the 2012 election cycle looked in many ways very different from prior presidential elections. Because so many of the new developments – from organizational to technological – challenge the candidate-centered focus of much past research, the scholars agreed that it would take something more than proposals for discrete research initiatives to get a better grasp of the new system’s implications. Beyond the specific recommendations above, two further approaches look promising: scholarly case studies and cross-disciplinary “brainstorming.”

Case studies

We noted earlier (during the discussion of independent spenders and party networks) that it is difficult simply to describe what the new organizations are doing, and how the groups relate to each other, in a world in which the organizations are spending politically-relevant money through complicated and partially undis-
closed paths that cross jurisdictional lines. But description is a necessary first step for many of the more sophisticated questions some of the scholars would like to ask.

- On a systemic level, such descriptive work could and should be geared to give us a richer understanding of the financial (and other) connections among the various pieces of expanded party networks. Comparative cross-state case studies could also give us some purchase on whether the networks are fundamentally different in states with differing campaign finance regulatory environments.

- We know that it is a mistake to study the new organizations as if they operate in a vacuum, but we nevertheless could do with a clearer knowledge of how the new organizations operate in today’s more densely populated institutional environment. How do the new organizations coordinate with each other and with the formal party organizations? Are they developing specialized spheres of action (for example, list-building, persuasion messaging, mobilization)? Are the organizations developing multi-cycle stability or do they exist only for one election cycle?

- Since mega-donors are almost impossible to reach through standard survey research designs, some detailed analysis of the handful of people who were responsible for most of the Super-PAC money in 2012 should give us a better feel for the motivations, incentives and strategic visions of the large donors who play such an important role in financing the new entities. We know that only 159 people were responsible for 60% of the Super PAC money in 2012 (Lioz and Bowie 2013). We also know something about these people from journalistic work already done. But the information has not been culled systematically or reviewed with a scholar’s questions in mind. The descriptive information could be maintained in a cumulative database, open for updating and made available to scholars working on these case studies or other research.

Conversations and Brainstorming

At the end of the day, however, scholars in the working group were impressed by how much of what they wanted to learn could not be fit neatly into predefined boxes. When the context that shaped past categories has been upended, there is a value to having thoughtful people from multiple academic disciplines sit down with political actors to talk through what they have just seen and learned. In fact, we think this form of cross-fertilization was an important part of what this working group accomplished. Such conversations can begin with prepared papers to start
the minds flowing, as ours did. But to be fruitful, the meetings must be small enough to encourage the participants to talk with and not at each other. Additional mechanisms, from online conversations to written reports, should then be used to broaden the conversation to include those who were not at the initial meetings. Along these lines, the working group recommended two different kinds of gatherings – one more general and the other focused on technology and communications.

General: At least every 2 years, scholars across disciplines should get together to assess how the most recent election may challenge their thinking about the sources and uses of money in US elections. These would be cross-disciplinary brainstorming conferences/conversations that:
- Explore the new organizational and strategic landscape, as it has evolved since the last election;
- Explore potential new paradigms for thinking about the money in politics;
- Reconsider the basic questions asked in this report: whether the recent election suggests new policy issues and research priorities for future scholars.

These brainstorming conferences/conversations could be imagined as biennial events in which thoughtful scholars and practitioners come together to reflect on the lessons of a past election for future politics and government.

Technology and Communications: Finally, and also at least once every two years, communications scholars and other technology specialists across disciplines, should have a similar conference on the lessons to be learned from innovations in technology. As noted earlier in this report, this subfield changes too quickly for us to be satisfied with relying on standard publication cycles and techniques. Some conferences do exist that accomplish part of what we have in mind. But most are too large, or too oriented toward practitioners showing off their innovations, or too much involving scholars in academic silos. If we want to think creatively about the larger, systemic implications of technology change, it will be important to gather participants in a setting in which thoughtful practitioners and scholars across specialties are prompted to discuss these larger questions in a setting that encourages all participants to learn from each other in a dynamic conversation.

Conclusion

The assembled scholars in this working group reached a broad consensus on short-term to mid-term research priorities in the field of campaign finance. This consensus began with a common agreement that changes in the character of US politics calls for a serious rethinking of where we are, and where future research ought to be headed. From this understanding we arrived at the following priorities.
First, there is common agreement about the importance of research infrastructure. To understand the new world of politics, it is crucial to trace organizational activities across state lines as well as across legal categories. It is equally crucial to have the ability to compare states to gain leverage for analyzing the effect of campaign finance policies that vary across jurisdictions. The basic building blocks of research are not always seen as the most exciting products to pursue, but improving the research infrastructure will yield large benefits as it enables new work by scholars who will bring a variety of perspectives to their research.

Second, while the infrastructure is being developed, it is important to continue looking at subject areas we know will be receiving policy attention over the next several years – primarily in the states. This will clearly include the role of small donors and transparency, although other subjects may also present themselves on a near-term action agenda.

Third, we need a much more detailed picture of our new campaign finance system. We need to be able to describe, and then to consider the money-and-politics implications of the developments in party networks, non-party organizations, new communications and other campaign technologies. We need to have a better understanding of who the actors are, how they relate to each other, and what they do.

Finally, we believe we have learned from the activity of this working group. It was beneficial to come together after an election, across academic specialties, to reflect on the implications of what had just occurred. Based on this experience, we recommend that such gatherings be fostered again in the future.

References


John C. Fortier is Director of the Democracy Project at the Bipartisan Policy Center. Before going to BPC, he was a research fellow at the American Enterprise Institute, where he also served as the principal contributor to the AEI-Brookings Election Reform Project.

Michael J. Malbin is co-founder and Executive Director of the Campaign Finance Institute, (CFI), a nonpartisan research institute in Washington, DC. He is also a Professor of Political Science at the University at Albany (SUNY).