

## ***Political Spending in the Wake of Citizens United & McCutcheon***

### **Fundraising and public officials**

-To reach the average amount it now takes to win a seat in the Senate, a U.S. senator must raise roughly \$4,600 each day of his or her six-year term, including weekends and holidays; a House member must raise roughly \$2,000 each day of his or her two-year term to reach the winning average.<sup>1</sup>

-Not surprisingly, freshmen members of Congress have been advised by party leadership to spend four hours out of each day making fundraising calls, as well as an hour per day on “strategic outreach,” which includes attending fundraisers. Essentially, these lawmakers have been advised to spend roughly half of their day fundraising.<sup>2</sup>

### **The composition of the donor class**

- The post-*Citizens United* increase in outside spending as a percentage of total election spending is particularly troublesome given that most of it comes from a tiny, severely unrepresentative sliver of the overall population. According to Dēmos and U.S. PIRG, in the 2012 federal elections, 60 percent of all Super PAC donations came from just 159 donors; 93 percent came from 3,318 donors—just 0.0011 percent of the US population.<sup>3</sup>

-But, candidate fundraising is not that much more democratic. According to Dēmos and U.S. PIRG, 2012 U.S. Senate candidates received 64% of the money they raised from individuals in contributions of at least \$1000—from just 0.04% (four one hundredths of one percent) of the population.<sup>4</sup>

- According to the Center For Responsive Politics, in the 2012 elections, only 0.4% of the U.S. population gave contributions of more than \$200 to candidate campaigns, political parties, and PACs. Yet that 0.4% was responsible for 63% of all contributions to such entities.<sup>5</sup>

So far in the 2014 election cycle, only 0.18% of the U.S. population has given contributions of \$200 or more to candidate campaigns, political parties, and PACs. Yet that 0.18% is responsible for 64.9% of all contributions to such entities.<sup>6</sup>

### **2014 federal election spending trends**

-According to the Center for Responsive Politics, \$1.72 billion has already been spent on 2014 federal elections.<sup>7</sup> Of this amount, 46% (\$790 million) was spent by candidates; 44% (\$760 million) was spent by parties; and 10% (\$171 million) was spent by outside groups.

- According to the Center For Responsive Politics, more than \$170 million of outside spending (excluding parties) has already poured into the 2014 federal midterm races.<sup>8</sup> Of that, nearly 63% has come from Super PACs, and about 27% has come from “dark money” social welfare groups and trade associations that do not have to disclose their donors.<sup>9</sup>

- According to the Center For Responsive Politics, spending by outside groups as of August 28th in this election cycle has more than tripled from the amount outside groups spent in the same time period leading up to the 2010 midterms (leaping from \$52.5 million in 2010 to \$170.7 million in 2014—an increase of 225%). In 2006, this number was \$9.9 million – that’s a seventeen-fold increase in just two midterm cycles.<sup>10</sup>

-According to the Center for Responsive Politics, “dark money” spending has passed \$50 million this election cycle and is outpacing even the 2012 presidential election.<sup>11</sup>

-According to the Brennan Center the nine most competitive 2014 U.S. Senate races have seen \$72 million in Independent Expenditures through August 11<sup>th</sup>—compared with \$97 million in 2010 nonparty outside spending for all Senate races over the entire election.<sup>12</sup> Half of this spending came from dark money groups, several of which appear to exist to support only one candidate.<sup>13</sup>

- According to an analysis by the Wesleyan Media Project, 52% of the money spent on national and broadcast television advertisements in 2014 Senate races through April 29<sup>th</sup> has been purchased by outside groups; of the television advertisements purchased, over half have come from groups that do not have to disclose their donors.<sup>14</sup>

-According to that same analysis, 90% of all television advertisements in North Carolina’s race have come from outside spenders.

### **State and local spending**

- In 2012, out of \$4 million spent on a city council race in Richmond, CA, the Chevron Corporation spent \$1.2 million in independent expenditures.<sup>15</sup> Prior to *Citizens United*, state law prohibited such spending from corporate treasuries on elections; prior to the election, the council had enacted tough standards on a refinery that Chevron operates in the city.<sup>16</sup>

- In the 2011 elections for Oklahoma City Council, one Super PAC – which received its contributions from an anonymous non-profit – called the “Committee for Oklahoma City Momentum” spent \$400,000 on four candidates. Spending in the elections totaled roughly \$1 million.<sup>17</sup>

This post-*Citizens United* increase in election spending was unprecedented. A retiring ward councilman, Sam Bowman, had the following to say about the situation: “In these last few weeks, big money has gotten involved to the extent, in my opinion, *that it has just made a mockery of our city elections...* I didn’t see it coming this fast. The times are here where bigger money is going to be involved in local elections. I had no idea whatsoever to this extent [*Emphasis added*].”<sup>18</sup>

- According to the National Institute on Money in State Politics, in response to the U.S. Supreme Court's January 2010 ruling on *Citizens United*, North Carolina lifted the state's ban on political expenditures paid for by corporate and union treasuries, and independent spending more than quadrupled in 2010 from the comparable 2006 election. 72% of all outside spending in the 2010 elections were connected to the multi-millionaire Art Pope.<sup>19</sup> In January 2013, Art Pope became the chief budget writer for the state of North Carolina.<sup>20</sup>

- Wisconsin, a state not long ago known for its strict campaign finance laws, has witnessed an explosion of big money in its elections. According to the Wisconsin Democracy Campaign, not taking into account the \$137.5 million spent on 2011 and 2012 recall races, election spending in the 2010 and 2012 state and federal election cycles more than doubled from 2006 and 2008 levels, increasing from \$123.7 million to \$254.4 million. The chief reason for this increase, according to Wisconsin Democracy Campaign, was the Supreme Court decision in *Citizens United v. FEC* that crippled campaign finance laws and paved the way for unlimited spending. In the 2006 and 2008 election cycles, outside groups accounted for \$39.6 million in spending on state and federal Wisconsin races, but in 2010 and 2012, that figure increased more than four-fold to about \$171.3 million.<sup>21</sup>

Concern over these trends was perhaps best summed up by Wisconsin Republican state Senator Dale Schultz, who earlier this year cited the poisonous effects of *Citizens United* and money in politics as a reason for his decision to leave elective office. Schultz was blunt in his assessment of the current state of affairs: "As a Republican, I have always thought business should have access to the public square. I never thought anybody should be able to buy the public square, and that's really about where we're at right now."<sup>22</sup>

### **The American people and their opinions on money in politics**

- According to a poll conducted by CBS released on May 21, 2014, most Americans (71 percent) continue to think individual contributions to political campaigns should be limited. Similarly, most Americans (76 percent) say that spending by outside groups on political advertising should be limited.<sup>23</sup>

- Public opinion research has long indicated robust popular support for a constitutional amendment to overturn *Citizen United*. A 2010/2011 Peter Hart poll found that 79% of Americans, including 68% of Republicans, 82% of independents, and 87% of Democrats support such an amendment.<sup>24</sup>

- The best poll, of course, is an actual vote of the people, such as the statewide votes held in November 2012 in Colorado and Montana on ballot questions calling for a constitutional amendment. Both votes demonstrated similarly strong support: 74% of Coloradans approved Amendment 65; Montanans approved Initiative 166, also by 74%, while simultaneously backing Mitt Romney for President by a margin of more than 10 points.

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<sup>1</sup> <http://www.opensecrets.org/news/2013/06/2012-overview/>

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<sup>2</sup> [http://www.huffingtonpost.com/2013/01/08/call-time-congressional-fundraising\\_n\\_2427291.html](http://www.huffingtonpost.com/2013/01/08/call-time-congressional-fundraising_n_2427291.html)

<sup>3</sup> <http://www.demos.org/publication/billion-dollar-democracy-unprecedented-role-money-2012-elections>

<sup>4</sup> <http://www.demos.org/publication/billion-dollar-democracy-unprecedented-role-money-2012-elections>

<sup>5</sup> <https://www.opensecrets.org/bigpicture/donordemographics.php?cycle=2012>

<sup>6</sup> <http://www.opensecrets.org/overview/donordemographics.php>

<sup>7</sup> This figure was derived by adding non-party outside spending, party spending, and candidate spending figures at [www.opensecrets.org](http://www.opensecrets.org) on 8/28/14.

<sup>8</sup> [https://www.opensecrets.org/outsidespending/fes\\_summ.php](https://www.opensecrets.org/outsidespending/fes_summ.php)

<sup>9</sup> [https://www.opensecrets.org/outsidespending/fes\\_summ.php](https://www.opensecrets.org/outsidespending/fes_summ.php)

<sup>10</sup> [http://www.opensecrets.org/outsidespending/cycle\\_tots.php?cycle=2012&view=A&chart=N#summ](http://www.opensecrets.org/outsidespending/cycle_tots.php?cycle=2012&view=A&chart=N#summ)

<sup>11</sup> <http://www.opensecrets.org/news/wp-content/uploads/2014/08/Chart-1-ctd-cong-pres-2014.png>

<sup>12</sup> [http://www.brennancenter.org/sites/default/files/analysis/2014\\_Nine\\_Toss\\_Up\\_Senate\\_Races.pdf](http://www.brennancenter.org/sites/default/files/analysis/2014_Nine_Toss_Up_Senate_Races.pdf)

<sup>13</sup> [http://www.brennancenter.org/sites/default/files/analysis/2014\\_Nine\\_Toss\\_Up\\_Senate\\_Races.pdf](http://www.brennancenter.org/sites/default/files/analysis/2014_Nine_Toss_Up_Senate_Races.pdf)

<sup>14</sup> <http://mediaproject.wesleyan.edu/2014/04/29/interest-group-advertising-pours-into-senate-races/>

<sup>15</sup> <http://richmondconfidential.org/2012/11/05/citizens-outspent-inside-richmonds-4m-election-campaign/>

<sup>16</sup> <http://www.eastbayexpress.com/oakland/can-richmond-progressives-regroup/Content?oid=3412074>

<sup>17</sup> <http://www.eastbayexpress.com/oakland/can-richmond-progressives-regroup/Content?oid=3412074>

<sup>18</sup> <http://newsok.com/oklahoma-elections-ed-shadid-wins-oklahoma-city-council-ward-2-seat/article/3555775/?page=1>

<sup>19</sup> <http://www.okgazette.com/oklahoma/article-11066-who%E2%80%99s-behind-the-money.html>

<sup>20</sup> <http://www.followthemoney.org/press/ReportView.phtml?r=472>

<sup>21</sup> <http://www.charlottemagazine.com/Blogs/Poking-the-Hornets-Nest/January-2013/Starving-the-beast-Art-Pope-Pat-McCrory-and-the-NC-budget/>

<sup>22</sup> <http://www.wisdc.org/pr031113.php>

<sup>23</sup> [http://www.huffingtonpost.com/carl-gibson/carl-levin-citizens-united\\_b\\_4747203.html](http://www.huffingtonpost.com/carl-gibson/carl-levin-citizens-united_b_4747203.html)

<sup>24</sup> <http://www.cbsnews.com/news/americans-view-of-congress-throw-em-out/>

<sup>25</sup> [http://freespeechforpeople.org/sites/default/files/me10129b\\_public.pdf](http://freespeechforpeople.org/sites/default/files/me10129b_public.pdf)