

# The Impact of Campaign Donation Sources on Election Outcomes: Donations from Within the Candidate’s District

Adelaine Reynolds • Advisor: David Glick • Boston University Department of Political Science



## Abstract

This study seeks to examine the relationship between the percentage of campaign donations coming from within a candidate’s constituency and his likelihood of winning the election, as well as look at the reasons for the existence of that relationship. This is accomplished by performing a logistic regression analysis of likelihood of winning against total percentage donations coming from sources within the candidate’s district for 172 House candidates, followed by a series of case studies intended to allow for deeper examination into why this is the case. Findings indicate that there is no significant relationship between the percentage of donations from the constituency and the candidate’s success and proposes that this is likely due to lack of voter awareness of how a candidate’s campaign is funded due to the media neglecting to address the subject adequately or accurately.

## Previous Findings

### Campaign Funding

- More money usually means more likely to win<sup>1</sup>
- Limits on donations affect outcomes<sup>2</sup>
- Candidates rely on “big money donors” more than grassroots/local donations<sup>3</sup>
- Big money donors (usually from outside the district) tend to donate due to ideological agreement rather than a vested interest in their district<sup>4,5</sup>

### Voter Psychology

- Voters rely on the media for political information<sup>6</sup>
- The media doesn’t cover campaign finance adequately or accurately<sup>7</sup>
- When voters DO know about campaign funding, it impacts their view of a candidate, and potentially how they vote<sup>8</sup>

## Methods

H<sub>0</sub>= A higher percentage of funds coming from donors inside the district has no significant impact on election outcomes

H<sub>1</sub>= A higher percentage of funds coming from donors inside the district has a significant positive impact on election outcomes

### Quantitative:

- Examines 172 House of Representative races
  - 88 Democrats
  - 84 Republicans
- Data gathered from Federal Election Commission (FEC)
- Logistic regression of percentage of campaign funds from sources within the district against the chances of candidate winning

### Qualitative/Case Study

- Examines 3 specific cases to observe the media and candidate coverage of campaign finance
- Data gathered from national and local news
- Illinois District 6, 2006
  - Tammy Duckworth(D)- 5.78% versus Peter Roskam(R)- 46.84%
- New York District 24, 2006
  - Mike Arcuri(D)- 28.17% versus Ray Meier (R)- 54.35%
- Minnesota District 3, 2008
  - Ashwin Madia(D)- 24.16% versus Erik Paulsen(R)- 69.07%

## Results

### Quantitative

Summary Statistics for In-District Donations

	All	Democrats	Republicans
Mean	44.13%	42.02%	46.34%
Std. Dev.	20.95%	21.71%	20.01%

25%	25.21%	24.95%	30.05%
50% (median)	43.51%	39.86%	46.25%
75%	59.13%	55.32%	61.44%

Observations	172	88	84
--------------	-----	----	----

Summary of Wins by Party

	All	Democrats	Republicans
Wins	87	44	43
Losses	85	44	41

Win %	50.58%	50.00%	51.12%
-------	--------	--------	--------

Observations	172	88	84
--------------	-----	----	----

Regression Results Summary

	All	Democrats	Republicans
Logged Odds	.201 (.990)	-2.651 (1.792)	2.320 (1.434)
Odds Ratio	1.223 (1.211)	0.071 (.126)	10.141 (14.532)

p-value	.839	.139	.106
---------	------	------	------

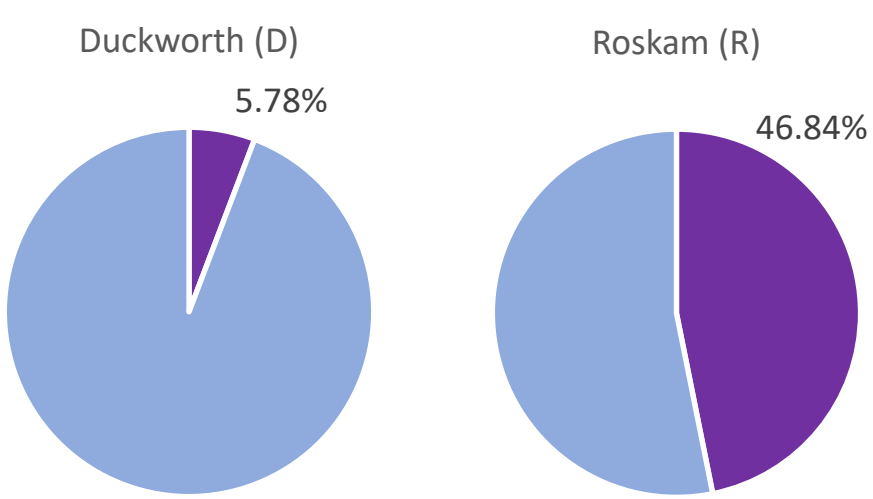
Observations	172	88	84
Standard error is reported in parentheses.			

### Key Quantitative Findings:

- No evidence to suggest that campaign donations from sources within a candidate’s district has an impact on whether a candidate wins their election (no statistical significance)
- Unexpected: substantial difference between parties in the logistic regression
  - Significance of results changes drastically when data is isolated by party (though still insignificant)
  - Democrats: negative, Republicans: positive

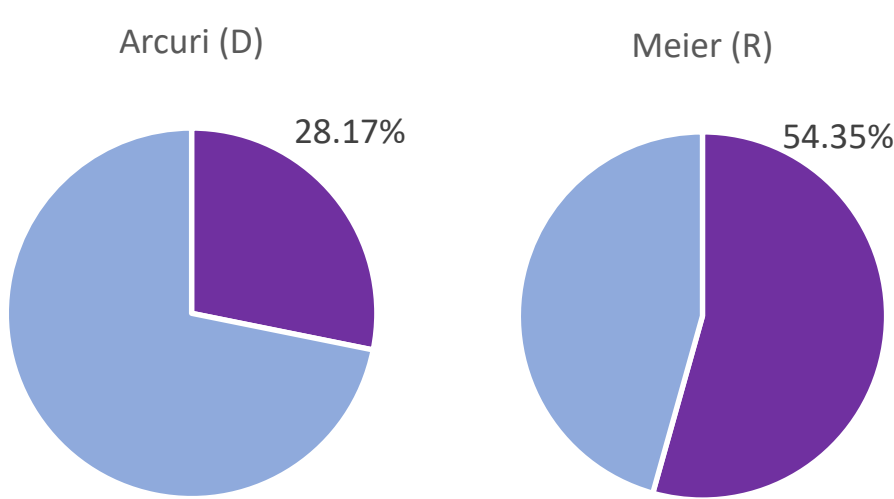
### Case Study

Illinois District 6, 2006



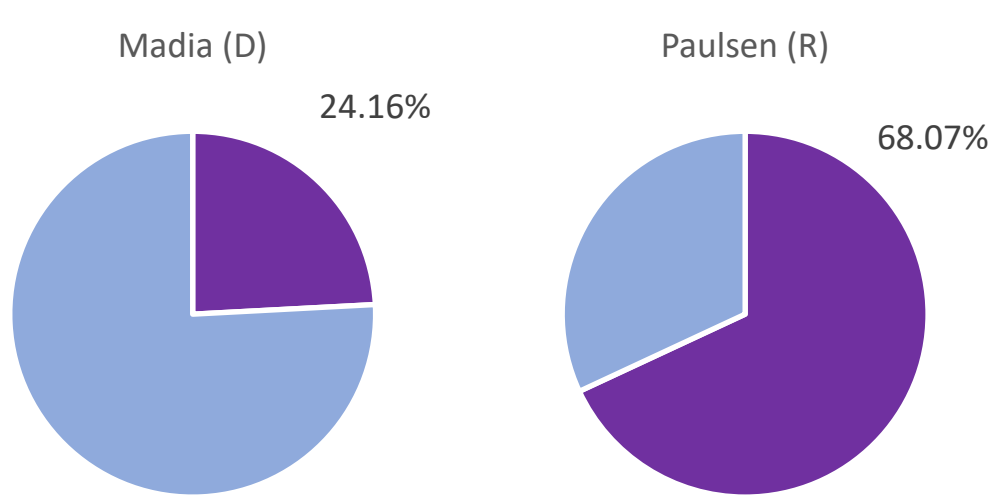
- Winner: Roskam (R)
- Roskam campaigned on being a “local” and drew attention to local donations
- Only race that specifically emphasized in-district donations
- Race gained a lot of national attention, explaining Duckworth’s small % of in-district donations

New York District 24, 2006



- Winner: Arcuri (D)
- Arcuri was critiqued repeatedly for *who* was donating to him, even if they were in-district
- GOP targeted Arcuri’s outside donors whose views were “inconsistent with the district”

Minnesota District 3, 2008



- Winner: Paulsen (R)
- Madia brought on focus to his own campaign donations by talking about the topic early-on
- A specific critique of Paulsen’s donation sources was publicly dismissed by both candidates

### Key Qualitative Findings:

- Overall, very little media coverage of campaign finance compared to other issues
  - Difficult to find races with ample coverage to study
- Media coverage generally only addressed specific or problematic donors
  - Candidates were critiqued for donations from outsiders that potentially held policy interests that diverged from the district norm
  - Only covered in-district donations when candidates specifically brought it up themselves
- Democrats saw higher percentages of outside donations in close races
  - Likely the reason campaign finance was discussed in these 3 races– all fairly close, with Democrats seeing higher percentages of outside donations
- Republicans drew attention to the fact that more of their donors were from inside their district

## Conclusion

- Fail to reject H<sub>1</sub> due to lack of statistical significance, meaning there is no evidence that percentage of campaign donations coming from within the district has any impact upon the likelihood of a candidate winning
- Voters do care about campaign finance source *but* rely on the media to give them the information they need
  - Voters are likely unaware of how much of a candidate’s donations are from sources inside their district due to minimal media coverage of the topic
- Cannot determine if voters specifically care if money comes from inside the candidate’s district
  - Media does not appear address the topic unless a candidate brings it up first
  - Usually only used as a point to back up claims of a candidate’s district support or when a candidate employs “friendly neighborhood politician” tactics
- Party is extremely important to consider; rhetoric used is different, as well as targeting specific issues
  - Emphasizing higher in-district donations appears to be more effective for Republicans than Democrats in generating voter support

<sup>1</sup> Gary C. Jacobson, “Money and votes reconsidered: congressional elections, 1972–1982,” *Public Choice* (1985) 47: 7. doi: 10.1007/BF00119352

<sup>2</sup> John R. Lott, Jr., “Campaign Finance Reform and Electoral Competition,” *Public Choice* 129, no. 3–4 (2006): 263–300. DOI:10.1007/s11127-006-9028-x

<sup>3</sup> Adam Bonica, Nolan McCarthy, Keith T. Poole, and Howard Rosenthal, “Why Hasn’t Democracy Slowed Rising Inequality?” *Journal of Economic Perspectives*, (2013) 27 (3): 103–24.Doi: 10.1257/jep.27.3.103

<sup>4</sup> “FEC Reports on Financial Activity U.S. Senate and House Campaigns : Final Report.” *Washington, D.C. :Federal Election Commission, n.d.*

<sup>5</sup> Stephen Ansolabehere, John M. De Figueiredo, and James M. Snyder. 2003. “Why is There So Little Money in US Politics?” *Journal of Economic Perspectives* 17(1): 105–30.

<sup>6</sup> McLeod, Jack M., Carroll J. Glynn, and Daniel G. McDonald. “Issues and Images: The Influence of Media Reliance in Voting Decisions.” *Communication Research* 10, no. 1 (January 1983): 37–58. doi:10.1177/009365083010001002.

<sup>7</sup> Elizabeth Garrett and Daniel A. Smith, “Rules, Politics, and Policy,” *Election Law Journal* 4.4 (Nov 2005): 234. doi:1089/elj.2005.4.295

<sup>8</sup> Connor M. Dowling and Amber Wichowsky, “Does It Matter Who’s Behind the Curtain? Anonymity in Political Advertising and the Effects of Campaign Finance Disclosure,” *American Politics Research* 41 (2013): 965–996. DOI: 10.1177/1532673X13480828