Electoral Politics as Team Sport: Advantage to the Democrats

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While much of the public’s attention in election campaigns remains on the candidates, the reality is that electoral politics has shifted to become a sport with multiple players all seeking to elect or defeat certain candidates. In an earlier era, political machines and their interest group allies were also central to electoral politics. Later, elections became more candidate centered.¹ Today’s team politics are more transparent than in the earlier era of political machines, and candidates today remain more independent of their parties and interest group allies. Because the focal point of voters and the media in elections is the candidates, the involvement and importance of their teammates can be overlooked. This essay examines the ways electoral politics have become more a team sport since the surge in soft money and issue advocacy in 1996 through 2002; and the continued importance of the teamwork approach under the Bipartisan Campaign Reform Act (BCRA), which took effect beginning with the 2004 election cycle.

Our electoral rules of single-member districts and winner-takes-all elections along with our tradition of relatively weak political parties have had the effect of making American electoral politics candidate centered.² For example, selecting nominees through primaries elevates candidates over political parties, open primaries do this even more than closed primaries, and

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² This concept is well developed in David R. Mayhew, Congress: The Electoral Connection (New Haven, CT: Yale University Press, 1974).
blanket primaries, in which voters can select from potential candidates from any party, further lessen the role of party.\textsuperscript{3} Candidate access to resources apart from those dispersed by parties is another way U.S. elections are more candidate centered when compared to those in the United Kingdom and elsewhere.\textsuperscript{4} Finally, as Martin Wattenberg has observed, parties represent broad ideologies and core beliefs, but when it comes to policy-making and the substantive handling of issues, voters have narrowed their interest to the candidates.\textsuperscript{5}

Still, parties are indispensable teammates. As Mayhew observed, party popularity in general is a factor in elections.\textsuperscript{6} Moreover, while Americans have long been inclined to report they vote for the person running and not the party, the reality for as long as we have survey data is that the person they vote for is predictably from the party they identify with. Since 1952, self-identified Democrats vote Democratic for president 77 percent of the time and self-described Republicans do the same on average 88 percent of the time. This includes Independents who later acknowledge partisan leanings. Independent Democrats voted Democratic for president 72 percent of the time since 1952 and voted for Obama at 90 percent. Independent Republicans vote Republican 83 percent of the time and in 2008, 83 percent of Independent Republicans voted for McCain.\textsuperscript{7} Partisan identification is therefore an important and consistent element of the voting choice.

\textsuperscript{6} Mayhew, \textit{Congress}, 29.
Political parties have long played important roles in American elections beyond providing a brand label for candidates. Parties help recruit and train candidates, they raise money to contribute and spend on the candidates’ behalf and for the collective good of the party, they monitor the opposition and organize to oppose it on an ongoing basis, they help structure the competition in elections, and they help candidates find and use skilled campaign consultants. At the same time parties are organizationally weak, lacking control in most cases over who runs in the general election under the party label, and more generally lack the ability to discipline elected officials in terms of policy or ideology. As the 1950 American Political Science Association report on political parties argued that “historical and other factors have caused the American two-party system to operate as loose associations of state and local organizations, with very little national machinery and very little national cohesion.”8 The spread of civil service and decline of patronage, the adoption of the direct primary, and other progressive reforms all contributed to this condition of weakening parties.9

In this context of historically weak parties, interest groups have also been important cue givers to voters in U.S. elections. Endorsements, newsletters to particular groups comparing candidate positions on issues of interest, and invitations to candidates to speak to members of a group all are means groups use to signal to voters which candidates will best represent their interests. Often endorsements are conveyed personally by a member of the same religious congregation or by a fellow volunteer in an activist group. Interest groups are also important to elections in the United States because they provide campaign funding to candidates. They do this through political action committees (PACs), which may make contributions of up to $5,000

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for each election (primary, general, or special) to federal candidates. Further, interest groups help orient individuals to contribute to particular candidates. These groups include trade associations, labor unions, and ideological groups, among others.

Groups may spend money independently beyond PAC contributions on particular races by making independent expenditures. Some interest groups organize or participate in various groups formed under sections 527 or 501(c) of the Internal Revenue Service code. Over the past decade, section 527 and 501(c) groups have played more prominent roles by mounting campaigns for and against candidates in primary elections, as a group named Republicans for Clean Air did against John McCain in 2000 or as a group named Swift Boat Veterans for Truth did against John Kerry in the 2004 general election. Similar groups have arisen in particular congressional elections or have campaigned more generally, as for example Citizens for Better Medicare did in the 2000 congressional races, spending $65 million overall and also specifically targeting Democrat Adam Schiff in California’s District Twenty-seven race.10

The role of political parties and interest groups changed during the mid-1990s. In competitive contests there arose parallel campaigns, not run by the candidates and in most cases without any coordination with the candidate. To understand competitive federal elections in the United States since 1996, one must also examine these other campaign structures. As I have previously written, these other campaign organizations function very much like candidate campaigns.11 They do polling and research; they produce radio, television and print advertising;

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they register and mobilize voters; they communicate heavily through the mail and via the Internet. Because their goal is to elect or defeat particular candidates, their methods and communications are often indistinguishable from what the candidates are doing in their own campaigns.

Although law prohibits certain types of coordination among political teammates, evidence that electoral politics is best understood as a team effort is compelling. The financing of campaigns is a primary example. If we were to look only at what the candidates spent on the election we would have an incomplete picture of spending, at least in competitive contests. For example, in her successful challenge race against North Carolina Republican senator Elizabeth Dole, Democrat Kay Hagan spent $4,490,801 while the Democratic Senatorial Campaign Committee (DSCC) spent $8,114,198 in the contest.\textsuperscript{12} In the 2004 presidential contest both John Kerry and George Bush accepted public funding for the general election, giving the impression that the two candidates spent about the same amount. But in fact, when we add in what their party committees spent in support of the nominees, Kerry and the Democratic National Committee (DNC) spent $243.8 million compared to Bush and the Republican National Committee (RNC) spending $166.9 million.\textsuperscript{13}

\textbf{The Players}

The two teams operating in contemporary competitive electoral settings comprise the candidates, their supporting political party committees, and interest groups. The phenomenon of


electoral politics as team sport arises largely in competitive general election contests. Party committees direct most of their contributions, as well as coordinated and independent expenditures, to races they see as competitive.\textsuperscript{14} They generally avoid getting involved in their own nomination contests, and most interest groups sit out these contests as well. Exceptions to this rule include the Club for Growth, which spent heavily in opposition to incumbents like Pennsylvania then Republican Senator Arlen Specter in the nomination phase of 2004.\textsuperscript{15} Most congressional races are not competitive, and as a result the parties and interest groups do not concentrate their resources there. Interest groups, through their contributions to incumbents and candidates from the party nominee of the party dominant in the district, are one of the reasons many contests are not competitive. PACs, for example, gave 82.5 percent of their contributions to incumbents in 2008.\textsuperscript{16}

Candidates, in order to be competitive, must raise substantial amounts of money. They raise that money from individuals, PACs, party committees, and their own funds. All of these sources, excluding the candidate’s own money, are limited by federal law. Competitive U.S. House open-seat or challenger candidates since 2000 have raised on average about $1.7 million, while competitive U.S. Senate open seat or challenger candidates since 2000 have raised on average about $8.2 million. Candidates are assisted in fundraising by their party committees and by supportive interest groups, who may urge individuals or PACs to contribute to the candidates.

\textsuperscript{16} Herrnson and Curtis, “2008 Congressional Elections,” forthcoming. Other advantages incumbents enjoy are generally higher name recognition, a paid staff, and franking privileges (the ability to send postal mail without paying for postage).
Political parties are important participants in electoral politics, and they offer candidates a range of support and training services. Their ability to directly fund candidates is limited to contributions of $5,000 for U.S. House candidates and $35,000 for U.S. Senate candidates.\footnote{Federal Election Commission, \textemdash Federal Election Campaign Laws, April 2008, pp. 66–67, http://fec.gov/law/feca/feca.pdf (accessed April 13, 2009).} In addition, they can mount limited coordinated campaigns with candidates.

A defining characteristic of politics in the United States is our numerous and active interest groups. The competition among groups has been described as interest group pluralism.\footnote{Arend Lijphart, \textit{Democracies: Patterns of Majoritarian and Consensus Government} (New York: Yale University Press, 1984); Robert A. Dahl, \textit{Polyarchy: Participation and Opposition} (New York: Yale University Press, 1971).} Interest group contributions have long been limited by law. Corporations have not been able to spend money from their general treasuries on election campaigns since the Tillman Act of 1907, and unions have been similarly prohibited, since 1947, from using their general treasury funds for "any election at which Presidential or Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices."\footnote{Taft-Hartley Act of 1947, Pub. L. No. 80-101, 61 Stat. 136, 159-60} However, these prohibitions are now in doubt pending the U.S. Supreme Court’s ruling in \textit{Citizens United v. FEC}.\footnote{\textit{Citizens United v. FEC}, 08-205 (2009).}

Corporations and unions are allowed to form Political Action Committees (PACs), raising money from employees or dues for political purposes. PACs have long been an important source of funding for congressional incumbents. Ideological groups also form PACs and contribute to candidates and otherwise work to secure the election or defeat of federal candidates. Interest groups work with other groups in trade associations, broader union...
groupings, or alliances with like-minded groups. These groupings are often organized under a section 501(c) or 527 of the Internal Revenue Code.

Interest groups became more active and more important teammates of candidates in 1996 when groups discovered they could mount unlimited “issue advocacy” campaigns for and against federal candidates. Their role as teammates with political parties was also enhanced when the prohibition on the use of corporate and union treasury funds was partially lifted in 1979, allowing parties to raise unlimited amounts of soft money. For an even longer period, interest groups have been allowed to spend unlimited amounts of money, not including corporate and union treasury funds, in independent expenditures.

Some individuals have also essentially played the role of interest group by mounting independent expenditure campaigns. Examples include Michael Goland, a California real estate developer who spent approximately 1.2 million dollars against Illinois U.S. Senator Chuck Percy in his 1984 campaign.21 In 2004, billionaire businessman George Soros spent 4.0 million dollars as a personal independent expenditure against George W. Bush’s reelection.22 This money was in addition to the $23.5 million he gave to various Section 527 organizations, such as the Media Fund, America Coming Together, and America Votes.23 Conservative Bob J. Perry gave $8.1 million, while Alex Spanos and Dawn Arnell gave $5 million each to Republican-friendly 527s.24 For purposes of analysis in this essay, such individually financed independent expenditures will be considered an interest group.

23 Ibid, 85.
Changing Strategies and Changing Rules

The scope of this paper will be on elections since 1972, although some elements of the period before 1974 clearly are consistent with seeing electoral politics as a team sport—complete with illegal plays. For example, one revelation that came out of the post-Watergate investigation was the money laundering done by the telephone company ITT, with the cash in suit cases going to presidential candidate campaigns. Nixon’s actions in regards to Watergate were a motivating factor in passage of amendments to the Federal Election Campaign Act in 1974, which established many of the rules of play for campaign finance since then. I will examine how these rules of play have changed across these time periods, or sets.

First Set 1974–1994: Candidate Centered with Parties and Interest Groups in Supportive Roles

In 1974, in response to the Watergate scandal, Congress amended the Federal Election Campaign Act (FECA) to provide comprehensive new laws on campaign finance. FECA included the most comprehensive disclosure requirements of any legislation in this area until that time. Individuals were limited in what they could contribute to candidates, party committees and PACs. Parties and PACs were limited in what they could contribute to candidates and, in the case of parties, what they could spend in coordinated efforts with candidates. These limited and disclosed contributions to candidates, party committees, and PACs came to be called “hard money” because they were limited and therefore harder to raise.

The FECA contribution limits were generally not indexed for inflation. FECA included partial public financing of presidential elections with a matching system of public funding for the nomination phase of presidential elections and a grant of public money for participating candidates in the general election. The public funding came with spending limitations attached to
the acceptance of public matching funds in the primary or of the public grant in the general election.

FECA was quickly challenged in court, and in a landmark decision, *Buckley v. Valeo* (1976), the U.S. Supreme Court upheld limits on contributions to candidates, parties, and interest groups, and limits on expenditures when part of a system of public financing, while overturning provisions limiting expenditures by candidates from their own funds, and any limits on independent expenditures. The Court’s decision also addressed in the form of a footnote a key definition that FECA had ignored: the difference between express advocacy, or electioneering, and issue advocacy. The latter, the Court reasoned, should not be subject to the same limitations as electioneering. Congress had not provided for this key difference and so the Court did, with a footnote indicating that in order to be regulated under FECA, communications must contain “express words of advocacy of election or defeat such as ‘vote for,’ ‘elect,’ ‘support,’ ‘cast your ballot for,’ ‘Smith for Congress,’ ‘vote against,’ ‘defeat,’ ‘reject.” ²⁵ Two decades later, the language of this footnote would drastically change the campaign finance game.

FECA was further altered not long after its passage in response to pressures from both parties for access to funds for generic party building activities like voter registration drives, generic party mail and leaflets, and so on. The Federal Election Commission (FEC) interpreted FECA as allowing parties to raise unlimited “soft money” from corporate and union general treasuries—money that could be used for party building activities. ²⁶ Although this party “soft money” was easier to accumulate, it could not be spent for party contributions to candidates or for the party-and-candidate coordinated expenditures allowed under FECA. Congress amended

FECA in 1979 to allow parties to conduct certain “party building” activities “without having those expenditures count” against the FECA contribution or expenditure limits.  

For the better part of two decades, from 1976 through 1996, the FECA rules gave candidates, party committees, and interest groups clearly defined roles in federal elections. The system was candidate centered, with candidates the focal point in fundraising and electioneering. 

Candidates raised money from individuals, party committees, and PACs in bounded ways. Party committees and interest groups largely worked to influence federal elections through campaign contributions to candidates. Candidates exploited partisan and incumbency advantages wherever possible to raise more money, including forming leadership PACs as a means to raise more money from individuals and other PACs. Because of the limits on campaign contributions, candidates who could self-finance their campaigns had a substantial advantage. Incumbents who won elections without spending all of their financial war chest could carry over those funds to the next election cycle, in hopes of deterring serious challengers in subsequent elections.

This is not to argue that parties and interest groups were not important in their roles of supporting or opposing particular candidates. PACs, for example, were often criticized for dampening competition through their heavy investment in incumbents. It is also important to note that the numbers of PACs and total PAC contributions to candidates rose over time.

The party congressional campaign committees during this period made contributions to a larger number of House or Senate races than they have recently, including some races in which the incumbent was not seriously challenged. However, the amount contributed varied greatly

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27 Ibid. 32.
29 Justin Buchler, “Coordination Between Leadership PACs,” paper presented at the 2004 annual meeting of the Western Political Science Association, Portland, OR.
between parties and from cycle to cycle. For example, in 1983–84, the average incumbent House Democrat with no serious challenger received a mere $53 contribution. The average Republican incumbent in a virtually uncontested district received more than $8,000. Incumbents for much of this period saw party contributions and party committee-coordinated expenditures essentially as an entitlement. Representative Tony Coelho, who became chair of the Democratic Congressional Campaign Committee in 1982, altered those expectations. He concentrated resources on competitive contests, infuriating some senior incumbents who, in the words of Gregg Easterbrook, “found themselves rewarded [for their years of party loyalty] with no party funds [while] green or little-known candidates got the legal maximum of $50,000 in intra-party help.” Welcome or not, Coelho’s strategy paved the way for aggressive offense plays by party committees.


The 1996 election saw the rather stable strategies start to change for political parties and interest groups, which in turn resulted in changing tactics for both sides. The ability of the parties to play a much more active role in competitive races grew substantially in 1996 as the parties began to direct substantial resources to particular competitive contests. This change came as a result of two other major changes. First, a Court decision permitted the political parties to raise and spend unlimited amounts of hard money on independent expenditures (such as candidate-focused advertising), just as individuals and interest groups had previously. Accordingly, the National Republican Senatorial Committee spent a whopping $10.7 million in independent expenditures in 1996, with the other committees slower to adapt. Of greater significance in the short term was a tactic of the Clinton/Gore campaign and the Democratic National Committee to

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32 Ibid, 113.
spend party soft money on candidate-specific electioneering. Until this time, soft money as noted had been spent on generic party advertising, voter registration and mobilization, and other party building activities. In response to the Clinton/Gore use of soft money for candidate-specific advertising, the Dole/Kemp campaign quickly followed suit. When the Federal Election Commission (FEC) failed to stop the activity on either side, party soft money expenditures in all forms of candidate-specific electioneering grew.

With this new set of spending opportunities, the party committees and the candidates as well quickly increased their focus on soft money fundraising. While the Clinton White House coffees and sleepovers became legendary as a means to raise soft money, both parties’ congressional leadership were hosting briefings for large soft money donors, and individual committee members beyond the leadership were also active in raising soft money. In the 2000 election cycle and again in 2002, the party committees in the aggregate raised and spent roughly $500 million in soft money.35 Despite the dramatic increase in total party receipts, the period of intense soft money activity did not appreciably strengthen the political parties themselves because so much of the soft and hard money was spent in candidate-specific advertising that was largely indistinguishable from the advertising being run by the candidates.36 As Barbara and Stephen Salmore observed in 1989, “Party activity merely subsidizes candidate-centered campaigns.”37

Soft money was a resource that party committees targeted to competitive congressional contests and presidential battleground states. Soft money was often transferred to state parties

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for expenditure because the FEC rules for the ratio of hard to soft money required often allowed more soft money to be spent if the spending was done by the state parties. Soft money funded television and radio advertising, mail and phone banks, and voter registration and mobilization. Soft money expenditures were often substantial. For example, in 2002 the party organizations spent over $6.5 million on television ads in South Dakota’s U.S. Senate race while the candidates, Tim Johnson (D) and John Thune (R) themselves only spent $4.2 million. In Colorado’s Seventh District, candidates Mike Feeley and Bob Beauprez combined spent nearly $1.2 million on their campaigns while the national parties spent or transferred $2.6 million in soft money for that race.38

In 1996 the role played by interest groups in competitive elections also underwent a transformation. The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), exploiting the aforementioned footnote in *Buckley v. Valeo*,39 designed communications that were clearly candidate specific but lacked the exact phrases that had been listed by the Court. Without these “magic words,” the ads were considered “issue advocacy”—that is, not subject to the FECA contribution or disclosure limits. The AFL-CIO spent over $30 million in this candidate-specific advertising in 1996, much of it directed at defeating freshmen Republicans elected in 1994, the year the GOP won the majority in the House for the first time in forty years.40 Once the AFL-CIO had mounted its campaign, opposing groups joined in the practice. By 1998, the use of “issue advocacy” had become a part of the most competitive

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congressional campaigns. When combined with party soft money, this meant that there was often more money spent by the outside campaigns than by the candidates.  

Interest group issue advocacy was often substantial. In the 2000 cycle, Citizens for Better Medicare, a front group of the pharmaceutical industry, alone spent an estimated $40 to $65 million supporting candidates favorable to its cause, and all parties and groups combined spent roughly $509 million on broadcast issue advertising that was candidate specific, an amount well beyond what the FECA contribution limits would allow. Moreover, this spending could be done anonymously, with groups hiding behind innocuous names like Coalition to Make Our Voices Heard (actually the AFL-CIO in the Connecticut Fifth Congressional District) or The Coalition: Americans Working for Real Change (actually a branch of the National Association of Manufacturers). The spending could also come late in the campaign, leaving the opposing team little time to respond. Because the spending was concentrated in competitive contests, the outside group and party soft money spending often drove up the costs of advertising for the candidates.

Legally, party soft money and interest group issue advocacy spending could not be coordinated with the candidate who was the intended beneficiary. Not surprisingly, therefore, much of the advertising was negative in tone, attacking the opponent of the favored candidate. For example, in 2000, the NAACP Voter Fund issued an ad in which a young girl reminded voters of the violent dragging death of her father, James Byrd Jr., and attacked George W. Bush for not supporting hate crimes legislation as governor of Texas. The themes and messages of the party and interest group teammates were often similar to the ones the preferred candidate was raising. Occasionally, the party or interest group teammates of the candidate ran advertising

43 Ibid, 176.
contrary to the wishes of the preferred candidate. In the 1998 Senate election between Republican Bob Inglis and Democratic incumbent Ernest Hollings in South Carolina, the issue ads from the Republican party were considered overly negative and lacking credibility because they were so out of context. Inglis considered asking the party to stop the ads against Hollings, but was afraid the FEC would interpret that as coordination between the candidate and the party, so instead remained silent and in the end lost the election.\(^{44}\)

Other candidates who were the intended beneficiaries also saw the work of their teammates as potentially hurtful to them. In Utah’s 1998 Second District election, issue advocacy ads played both a helpful and damaging role, prompting Democratic candidate Lily Eskelsen to call outside money a “double-edged sword.”\(^{45}\) She appreciated an outside group who supported her and attacked her opponent, but did not appreciate that the group was “out of [her] control.”\(^{46}\) Uncomfortable with the tone of outside groups’ attack ads, candidates often responded that the charges being raised against the opponent were not coming from the candidate campaign. To voters, however, the ads from party committees and interest groups were indistinguishable from the ads run by the candidates, and the strong public assumption was that candidates were responsible for the tone and content of the outside campaign.\(^{47}\)

The lack of disclosure requirements for issue advocacy, despite the transparent electioneering of the communications, came clearly into focus during the 2000 presidential nomination process. As noted, a group calling itself Republicans for Clean Air ran ads in three states attacking John McCain’s environmental record, in hopes of winning the nomination for George W. Bush. The group was technically organized under Section 527 of the Internal

\(^{45}\) Lily Eskelsen, interview by Marianne Holt, Salt Lake City, Utah, December 5, 1998.
\(^{46}\) Ibid.
Revenue Code, and because they had no income to report for tax purposes, the IRS rules did not require them to disclose the organizers of the group; meanwhile, because they were doing issue advocacy and not electioneering (under the “magic words” definition of electioneering), they were not required to file with the Federal Election Commission. Even with the glare of national media attention, it took three days to uncover that Republicans for Clean Air was actually two brothers from Texas, Sam and Charles Wyley. 48

Candidates in competitive races in this period thus lost control of their own campaigns as what they were doing was potentially overshadowed by what their teammates were doing. At the same time, the pressure on candidates to raise more money was intensified because they felt they would need more money to respond to not only their opponents but to the teammates of the opponents as well.

Third Set 2004-2008: Advantage to the Democrats

The 2004 election was the first conducted under the Bipartisan Campaign Reform Act of 2002 (BCRA). This legislation banned virtually all forms of party soft money, provided a new definition of electioneering communications, raised individual contribution limits, and indexed those limits to inflation. Further, BCRA increased the limits for contributions to politicians running against self-financed opponents who spent personal resources above an established threshold, a provision called the Millionaires’ Amendment. Parts of BCRA have been successfully challenged in court and declared unconstitutional. Included in this list are the Millionaires’ Amendment 49 and the BCRA definition of what constitutes an electioneering communication. 50

The BCRA soft money ban remains in place and has made the raising of limited hard money contributions a greater priority. Because legislators recognized individuals’ tendency to contribute more to candidates than to parties, BCRA assisted the parties in financing themselves through individual contributions by only allowing individuals to give $42,700 to candidates (in the 2008 cycle) but at the same time allowing individuals to give a total of $108,200 to candidates, party committees, and PACs. The difference between the maximum amount an individual is allowed to give candidates in the aggregate and what they can give overall is money party committees and PACs most aggressively seek. In 2008 the maximum amount an individual could give any single party committee was $28,500. These “max-out” donors have become important to party finance. In 2008 such donors gave the Republican National Committee (RNC) $37 million and the Democratic National Committee (DNC) $41 million. As shown in table 1, the DNC did about as well in raising money at the maximum allowable in 2008 as it did in 2004, but the RNC raised $23 million less from max-out donors in 2008 than it did in 2004. From these max-out donors in 2008 the Democratic Senatorial Committee (DSCC) raised $26 million while the National Republican Senatorial Committee (NRSC) raised $12 million from similar donors. Again in 2008 the Democratic Congressional Campaign Committee (DCCC) raised $15 million (double the amount they raised from such donors in 2004) and the National Republican Campaign Committee (NRCC) raised a mere $2 million from max-out donors. In terms of total individual contributions to party committees, the Democratic congressional campaign committees (the DSCC and DCCC) outperformed their Republican counterparts in 2006 and 2008.

### Table 1
Sources of Receipts for National Party Committees, 2000–08

<table>
<thead>
<tr>
<th></th>
<th>DNC</th>
<th>RNC</th>
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<tbody>
<tr>
<td>Total Receipts</td>
<td>$123,997,509</td>
<td>$67,497,257</td>
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<tr>
<td>Total Contributions from Individuals</td>
<td>$112,157,217</td>
<td>$55,623,021</td>
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<tr>
<td>Unitemized</td>
<td>$59,491,349</td>
<td>$37,820,051</td>
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<tr>
<td>Unitemized as % of Total from Individuals</td>
<td>53.04%</td>
<td>67.99%</td>
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<tr>
<td>Contributions at the maximum permitted</td>
<td>$11,040,000</td>
<td>$680,000</td>
</tr>
<tr>
<td>Maximum as % of Individual Total</td>
<td>9.84%</td>
<td>1.22%</td>
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<tr>
<td>Contributions from Federal Candidates</td>
<td>$1,478,662</td>
<td>$55,113</td>
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<tr>
<td>Contributions from PACs</td>
<td>$2,603,074</td>
<td>$1,099,514</td>
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<tr>
<td>Transfers from State or other National Parties</td>
<td>$2,141,409</td>
<td>$6,560,050</td>
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<tr>
<td>DSCC</td>
<td>$48,394,476</td>
<td>$46,436,093</td>
</tr>
<tr>
<td>Total Receipts</td>
<td>$48,394,476</td>
<td>$46,436,093</td>
</tr>
<tr>
<td>Total Contributions from Individuals</td>
<td>$21,844,053</td>
<td>$19,393,788</td>
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<tr>
<td>Unitemized</td>
<td>$9,932,524</td>
<td>$11,201,482</td>
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<tr>
<td>Unitemized as % of Total from Individuals</td>
<td>48.21%</td>
<td>48.21%</td>
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<tr>
<td>Contributions at the maximum permitted</td>
<td>$1,640,000</td>
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<td>Maximum as % of Individual Total</td>
<td>9.76%</td>
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<td>Contributions from Federal Candidates</td>
<td>$1,133,100</td>
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<td>Contributions from PACs</td>
<td>$4,309,127</td>
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<td>Transfers from State or other National Parties</td>
<td>$4,042,276</td>
<td>$7,100,082</td>
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</tbody>
</table>


Notes: This table includes federal or "hard" money only. Contributions from individuals include proceeds from joint fundraising efforts with presidential campaigns in 2004 and 2008. Note that it is not possible to determine precise values for unitemized contributions transferred from joint fundraising committees, but information in filings suggests little if any unitemized contributions in this form. Unitemized contributions from individuals are those which total $200 or
less in a calendar year from a single person. The maximum contribution from individuals was changed from $20,000 per year to $25,000 per year for the 2004 election cycle, to $26,700 in 2006, and to $28,500 in 2008.
Republicans have long had a lead in money raised from individual donors giving modest amounts. Contributions from individuals are unitemized if they total $200 or less in a calendar year from a single person. The RNC received $152 million in unitemized donations in 2008 compared to the $83 million that the DNC received. The difference was not as substantial for the congressional committees. Individual unitemized donors gave the NRSC $29 million and the DSCC $25 million. The NRCC was given $32 million by this type of donor compared to $31 million given to the DCCC (See table 1).

In 2004 and 2008, the major party presidential candidates who accepted public funding in the general election (Bush and Kerry in 2004 and McCain in 2008) encouraged individuals to give to the party committees in the general election. This resulted in substantial receipts for the RNC in 2004 and 2008 and for the DNC in 2004. This money in turn was spent by the party committee with their presidential nominee in joint party and candidate voter mobilization efforts or in advertising. Joint candidate and party committee spending. Such teamwork helps to stretch candidates’ campaign dollars beyond what they are able to raise alone, and it is essential for the presidential candidates who accept the limitations of the public general election grant. Party-coordinated spending also has the advantage of being able to promote multiple candidates at once, which tends to allow less-prominent candidates to ride on the popularity of their party’s top-ticket contenders. However, it is not always in the candidates’ interest to be closely linked to the party. Christian Ferry, deputy campaign manager for John McCain in 2008, reflected on the limits of hybrid ads and candidate/party spending as follows:

The disadvantage is that victory operations cannot be candidate specific and they can’t be just about the presidential campaign; they need to be about the entire

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ticket. In an election where the Republican party brand was damaged, where the incumbent president was a Republican and was incredibly unpopular, where the right track / wrong track number was, prior to September 15, around 30 percent and then after September 15 around 8 percent, being a Republican is not necessarily the way you want to brand yourself if you want to win the campaign.\(^5\)

One of the most important changes in BCRA was to double the limit for what individuals can give candidates and then to index those limits for inflation. In 2008, an individual could give a federal candidate $2,300 in the primary and $2,300 in the general election. (Had there been a run-off that individual have could have given another $2,300.) Presidential candidates have been the most likely to tap into donors who could give the maximum allowable, and these donors were critical to the early fundraising success of candidates like Obama, Clinton, McCain, and Romney in 2007. More broadly, by closing the soft money option, BCRA oriented candidates and parties to focus on individual contributors and rely less on the large soft money donors so important in the 1996–2002 period.

Interest groups have modified their approach in the post-BCRA environment as well. No longer able to make unlimited party soft money contributions to the political parties, corporations have scaled back their overall level of spending on politics. Still, some coalitions of corporations have been active, particularly in races that may sway legislation on key issues. For example, the U.S. Chamber of Commerce spent $36 million in the 2008 cycle on paycheck protection, state voter education, and legislative advocacy in fourteen Senate races and twenty-eight House races.\(^5\) Unions, which had been large soft money donors to the political parties, have been more

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\(^5\) Rob Engstrom, vice president over political affairs and federation relations, U.S. Chamber of Commerce, interview by David B. Magleby, November 12, 2008.
likely to redirect their contributions to investments in Section 527 organizations or to mount their own independent expenditures.

The first post-BCRA election, 2004, saw a set of highly visible Section 527 and 501(c) organizations. On the Democratic team was a large voter registration and mobilization effort conducted by a new 527 group named America Coming Together (ACT). Donors to ACT included wealthy individuals like George Soros, Peter Lewis, and Steven Bing, but also unions and interest groups like the AFL-CIO and Moveon.org.\(^5\) ACT spent more than $78 million.\(^6\) Other interest group teammates of Democratic candidates were the Media Fund, which mounted television and radio ads and spent $57.7 million, and America Votes, which provided an organizational structure to facilitate coordination among progressive groups.\(^7\) Overall an estimated $389.4 million was spent by 527 and 501(c) organizations supporting Democrats in 2004.\(^8\)

Republican interest group teammates in 2004 spent considerably less than the Democrats, an estimated $111 million,\(^9\) but generated more controversy and arguably had a greater impact. Two examples stand out. Swift Boat Veterans for Truth ran television ads and sent mail attacking John Kerry’s claims to heroism and capacity to serve as Commander-in-Chief. Kerry left the group’s charges against him unanswered for two weeks, allowing the ads and his nonresponse to become what Allan Cigler described as potentially “the most defining moment of


Another teammate of Republican candidate George W. Bush was named Progress for America. This group ran positive ads portraying President Bush as a kind and compassionate leader. One ad, Ashley’s Story, told of a young Ohio girl who lost her mother in the September 11, 2001, terrorist attacks; the ad showed President Bush giving Ashley a spontaneous hug when he learned of her loss. The ad used imagery and conveyed a message more appropriate from an outside group than from the candidate himself.

In 2008, Section 527 and 501(c) organizations were less visible and less important than in 2004. But at the same time overall spending by interest groups was higher in 2008 than in 2004. The difference was greater spending by PACs. Most of the 527 organizations from 2004 were not active in 2008. One exception was America Votes, which played an enlarged role in coordinating the pro-Democrat interest groups and spent more than $24 million.

As suggested by the heavy investment of ACT in voter registration and mobilization in 2004, the “ground game” of electoral politics has become increasingly important in the recent era of competitive presidential elections. Republicans since the Bush popular vote defeat in 2000 have used the Republican National Committee (RNC) as the entity in charge of managing voter registration and turnout efforts. Leaning on strong RNC fundraising, strategists Karl Rove and Ken Mehlman, among others, created the 72 Hour Task Force, called by reporter Matt Bai “the

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most ambitious grass-roots model in the party’s history.” Guided by the Republicans’ superior voter database, the task force overrode heavy Democratic investment by ACT, America Votes, and others.

Having lost the voter mobilization contest in 2004, Democratic-leaning groups and individuals adopted a different model in 2008. Long-time activist Harold Ickes developed a corporation called Data Warehouse, which aimed to build a better voter database and foster the kind of microtargeting computer modeling that had helped reelect George W. Bush. The Data Warehouse later became Catalist, a voter file of more than 220 million names, complete in many cases with vote history and consumer data. The investors funding Catalist included unions, environmental and pro-choice groups, and party committees, who shared their own membership information as part of this for-profit enterprise. Importantly, candidates like Senators Clinton and Obama purchased the Catalist list and used it to achieve unprecedented fundraising, microtargeting, and get-out-the-vote success.

**How the Democrats Secured the Advantage**

In part due to these changes in the finance rules and the advancement in microtargeting, recent electoral politics at the national level have been closely competitive. The 2000 presidential election resulted in a popular vote victory for Democrat Al Gore, but after a Supreme Court decision the Republicans secured an electoral vote majority. Congressional majorities have been close, with party control changing twice since the early 1990s in the House and four times during the same period in the Senate. Going into the 2008 election the Senate

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Democrats had a 51-to-49 majority, but only because the chamber’s two Independents vote with
the Democrats. The public has also been closely divided in terms of party identification. In
studies, if independent leaners are not assigned a party, the two parties have been on average
within 6 percentage points of each other in the proportion of voters identifying with each party.
When independent leaners are assigned to their respective parties, the average difference
between the parties has been just over 10 percent since 2000.65

In the 2008 election, the Democrats secured the advantage over the Republicans at the
level of candidates, party committees, and allied interest groups. They did this by riding the tails
of a charismatic presidential standard bearer, by effectively utilizing technology and
microtargeting, by building their own voter files, and by fostering a culture of cooperation and
coordination among allied interest groups.

Candidates

Candidates continue to matter a great deal, even in a context in which elections are a
team sport. Barack Obama did extraordinarily well in raising money from both large and small
donors. His early success in fundraising helped legitimate his insurgent campaign. In those early
days, said Obama’s finance chair, Penny Pritzker, “the money did not grow at the grass roots.”
Rather, the campaign used a more typical approach to reach networks of large donors: “We
tapped everybody and did every event we could. He’d do seven events in New York, back-to-
back-to-back-to-back.”66

65 National Election Studies’ (NES) standard opening question about partisan identification. All data, unless
otherwise noted, are from the NES. The American National Election Studies (www.electionstudies.org). THE
1948-2004 ANES CUMULATIVE DATA FILE [dataset]. Stanford University and the University of Michigan
[producers and distributors], 2005; The American National Election Studies (ANES; www.electionstudies.org). The
ANES 2008 Time Series Study [dataset]. Stanford University and the University of Michigan [producers]
Wolffe observes that large donors were another group Obama sought to organize for activities beyond fundraising.;
Obama’s success among large donors continued throughout the campaign, a fact that is often overshadowed by his success among donors making small contributions. Of the contributions Obama raised over the mandatory aggregate reporting threshold of $200, more than half were in amounts larger than $2,000. Before BCRA this threshold would have been the maximum allowable contribution. Under BCRA, individuals could give $2,300 in the nomination phased and $2,300 in the general election phase. In tapping into donors giving at or near the maximum allowable, the Obama campaign was not unusual. Indeed, John McCain raised more than two thirds of his receipts from donors giving more than $2,000.

Obama’s success in raising money from individuals who contributed relatively small amounts has the potential to change campaigns in 2010 and beyond. The campaign reported nearly four million contributors, more than twice as many as gave to any other campaign. Obama raised over $400 million from unitemized donors. Many of these donors gave more than once and many contributed via the Internet. Obama was not alone in applying new messaging and fundraising tactics; Howard Dean in 2004 and Ron Paul and Mitt Romney in 2008 were innovative in their use of the Internet as well. But Obama achieved a higher level of play. Joe Trippi, who managed the Howard Dean campaign in 2004 and worked for the John Edwards campaign in 2008, said of Obama, “He did everything better ... it’s like the Dean campaign was the Wright brothers, the Obama campaign was Apollo 11 and we’ve skipped ..."

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Evidence of Obama’s success among individual donors can be seen in Figure 1.

Figure 1

Individual Contributions to Presidential Candidates

NOTE: The vertical line near the beginning of September 2008 indicates the approximate date of the national party conventions.

The Obama campaign was innovative not only in raising money but also in how it engaged people. Utilizing technology such as Facebook, e-mail, and text messaging, the campaign offered voters multiple modes of participation. Only one of these was contributing money. As new media director Joe Rospars reported, the campaign tried to enable folks to take control of the process as much as they were willing at every stage. So if you made phone calls using the myBarackObama sound system or you made

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71 Joe Trippi, interview by David Magleby, December 18, 2008.
a donation or you sent a letter to the editor or joined a grassroots volunteer group… at each step you are prompted to not just tell someone but to upload your whole address book and tell everyone you know. They

In this sense the Obama campaign became a viral fundraising operation. Not only did using the Internet in these creative ways expand the donor pool, it also gave the campaign a large group of donors who could be contacted again for additional contributions, since few had maxed out, and who could be invited to volunteer again and again, as well. A marker of the success of Obama’s integrated approach is in how the campaign mobilized individuals to vote in caucuses, primaries, early voting, and on Election Day.

Among the other advantages of fundraising via the Internet are that the money is available to the campaign immediately without having to wait for checks to be returned through the mail and clear the bank. The Internet allows immediate and timely fundraising appeals, centered on campaign events like debates or reporting deadlines at the FEC. And those appeals are virtually free—no postage or envelope costs. Using the Internet to raise money also reduces staff time in building databases on donors who gave by cash or check. To a lesser extent other Democrats and some Republicans made inroads in broadening the base of the donor pool and in using the Internet. A group named ActBlue formed in 2004 to raise Internet donations for Democratic candidates. In 2004 and 2006 ActBlue raised a combined $13.6 million on behalf of progressive House and Senate candidates in 2004 and 2006; in 2008 the group raised $60 million for Democratic Senate and House candidates. Meanwhile, Slatecard.com, the Republican

72 Joe Rospars, Media Director for the Obama Campaign, interview by David Magleby, Washington DC, January 28, 2009.

version, raised $650,000 for 60 Republican candidates. In upcoming matches it is anticipated that Republican and Democratic candidates—and the donors who support them—will turn to the Internet more readily.

**Political Parties**

Prior to BCRA’s taking effect, all three national Democratic committees were more reliant on soft money than their Republican counterparts. By 2002 soft money accounted for more than half (53 percent) of all funds raised by the Democrats, although Republicans, with their overall fundraising advantage, actually raised more soft money in 2002 than the Democrats did. For some, the banning of soft money was the equivalent of a “suicide bill for Democrats.” Political scientist Sidney Milkis was more measured in his assessment that “BCRA threatens [to undermine] the reinvigoration of national parties and the revitalization of America’s federal democracy.” Looking more to the future, Raymond La Raja wrote that “recent reforms under the BCRA will make it much more difficult for strongly institutionalized party organizations to emerge.”

In the post-BCRA period, the Democratic committees have all substantially increased their fundraising from individuals. Rather than perishing, the DSCC and DCCC raised more

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money than the NRSC and NRCC in 2006 and 2008. The Democrats’ success in substituting hard for soft money is the result of three elements: doing well among large contributors; developing an expanded small donor pool; and persuading members of Congress to contribute to the party committees. Like Barack Obama, many Democratic candidates have done well with all types of donors, as have the Democratic congressional campaign committees. As noted previously, the DSCC and DCCC both raised much more from max-out donors in 2008 than their Republican counterparts.

Another way the Democrats have surpassed the GOP in congressional campaign committee fundraising is in money raised from members. Before the end of soft money, incumbent Senators in both parties transferred less than $2 million per cycle to the DSCC or NRSC. That changed dramatically for the Democrats in 2004, the first post-BCRA election, when members tripled their level of contribution to the DSCC. In 2006 and 2008 those levels rose further. Republicans doubled their member giving between 2002 and 2004, but that giving subsided in 2008, resulting in the DSCC’s almost eightfold advantage in member giving over the NRSC. Regarding his tactics for securing member funds, Nevada senator and 2007–08 NRSC chair John Ensign told a reporter, “We’ve tried fear, we’ve tried positive reward, positive reinforcement, we’ve tried being a little harder on them, we use different things at different times—begging, we beg a lot.” Of the responses he and his staff often heard after requests for greater contributions to the committee, Ensign remarked, “I think they’re all pathetic excuses, but that’s just my own take on it.”

House members in both parties were more inclined to contribute to their party committees in the period before BCRA than were Senate members. But from 2000 to 2004

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House Democrats still more than doubled what they gave their party committee, with contributions climbing from $11 million in 2002 to $23.9 million in 2004. The DCCC saw further growth in 2006, and in 2008 raised $42.9 million from members. House Republicans also became more inclined to give to their party committee in 2006, but in 2008 the level of member giving dropped, with House Republicans giving the NRCC nearly $19 million less than House Democrats gave the DCCC.

Loans are another way party committees can fund operations. Going into 2007-08 all party committees were in debt from the 2005-06 election cycle, with the DCCC and NRCC at near parity in debt and the DSCC in more debt ($6.5 million) than the NRSC ($1.2 million).

Republicans are likely to rebound and compete more effectively with Democrats in party committee fundraising. However, in the 2006 and 2008 election cycles, the advantage clearly went to the Democrats.

The Democratic congressional committee advantage in fundraising in 2006 and 2008 allowed the party committees to fund more substantial independent expenditures than the Republicans were able to do. Table 2 provides the independent expenditure activity for party committees for the period 1996-2008.

Table 2


<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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<td>$0</td>
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<td>$0</td>
<td>$120,449,777</td>
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<td>$1,359,000</td>
<td>$133,000</td>
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<td>$18,694,679</td>
<td>$41,990,526</td>
<td>$72,011,486</td>
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<td>DCCC</td>
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<td>$0</td>
<td>$1,916,489</td>
<td>$1,106,113</td>
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<td>$18,253,659</td>
<td>$14,022,675</td>
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<td>NRSC</td>
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<td>$194,573</td>
<td>$267,600</td>
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<td>NRCC</td>
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<td>$0</td>
<td>$548,800</td>
<td>$1,203,854</td>
<td>$46,901,487</td>
<td>$81,827,610</td>
<td>$30,894,283</td>
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</tbody>
</table>

Note: The 2006 total for the DNC is negative due to adjustments made after the original expenditures were reported from the 2004 presidential race.

In 2008 the DCCC had a $40 million advantage over the NRCC and the DSCC had nearly $30 million more than the NRSC in the amounts spent in independent expenditures. These funds helped make more visible and competitive candidates like Kaye Hagen in North Carolina and others in states like New Hampshire and Colorado.

**Interest Groups**

As with candidates and party committees, the pro-Democratic interest groups have outperformed the pro-Republican interest groups in recent elections. Part of this advantage to the Democrats is due to the level and type of activity pro-Democratic groups have pursued, and part of it is due to the decline of some mass-membership interest groups that once supported Republicans. Pro-Democratic interest groups have not only become more involved in electoral politics than pro-Republican interest groups but they are also more coordinated amongst themselves than are the pro-Republican groups. This enhanced coordination and communication is due in part to the 53 partner groups that belong to America Votes. Since the organization’s inception in 2004, members have met regularly to share strategy and coordinate activity.\(^{81}\) Former Texas Congressman and America Votes president for 2008, Martin Frost, commented that America Votes was created because “the major donors were tired of the fact that all the interest groups on the left didn’t talk to each other.”\(^{82}\) Each partner pays a fee to join the coalition, which in turn gives them strategic information on message delivery and access to a

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\(^{81}\) America Votes, “Partners,” http://www.americavotes.org/site/partner_summaries/ (accessed October 9, 2009).

\(^{82}\) Martin Frost, president, America Votes, interview by David Magleby, January 29, 2009.
database of voters and polling data. The goal of this effort, according to the 2004 America Votes president, was to “try and make [their] issue the most important to voters.”

PACs, an important part of the electoral team for both parties, contributed substantially more to candidates in 2008 than in prior cycles and less to party committees, with the DSCC being an exception. The DNC and RNC were at near parity in PAC receipts, but overall PACs gave less to both the RNC and DNC in 2008 than in 2004. Unlike individual contribution limits to candidates, individual contribution limits to PACs were not raised by BCRA—but that did not stop PACs from giving all four congressional campaign committees more money in 2004 than in 2002. Their overall giving rose again in 2006, but then dropped for both the DCCC and NRCC in 2008.

One important component of how the Democrats have secured the electoral advantage over the Republicans is to contrast the level of activity of unions and corporations in the post-BCRA environment. Unions have long been important to Democratic candidates and party committees through the money they donate and the volunteers they provide. Among top Section 527 groups in 2008, unions show up frequently. That is clearly the case as seen in table 3, which presents the top twenty Section 527 groups in 2007–08 in terms of expenditures as reported to the Internal Revenue Service. Additionally, the table indicates whether the group had also a registered PAC with the Federal Election Commission.

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Table 3
Top Twenty Section 527 Organization Receipts and Expenditures, 2007–08

<table>
<thead>
<tr>
<th>Committee</th>
<th>Expenditures</th>
<th>Total Receipts</th>
<th>Federal PAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Employees International Union</td>
<td>$25,819,624</td>
<td>$24,857,467</td>
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</tr>
<tr>
<td>America Votes</td>
<td>$20,749,364</td>
<td>$23,633,214</td>
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<tr>
<td>American Solutions Winning the Future</td>
<td>$19,594,558</td>
<td>$19,676,873</td>
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<tr>
<td>The Fund for America</td>
<td>$12,014,130</td>
<td>$12,142,046</td>
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<tr>
<td>EMILY’s List</td>
<td>$10,848,170</td>
<td>$12,592,282</td>
<td>X</td>
</tr>
<tr>
<td>GOPAC</td>
<td>$8,100,840</td>
<td>$8,192,347</td>
<td>X</td>
</tr>
<tr>
<td>College Republican National Cmte</td>
<td>$6,458,084</td>
<td>$6,066,036</td>
<td></td>
</tr>
<tr>
<td>Club for Growth</td>
<td>$5,897,982</td>
<td>$4,986,012</td>
<td>X</td>
</tr>
<tr>
<td>Intl Brotherhood of Electrical Workers</td>
<td>$5,668,122</td>
<td>$5,529,861</td>
<td>X</td>
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<tr>
<td>Citizens United</td>
<td>$5,238,329</td>
<td>$5,644,344</td>
<td>X</td>
</tr>
<tr>
<td>Gay &amp; Lesbian Victory Fund</td>
<td>$5,145,721</td>
<td>$3,961,763</td>
<td>X</td>
</tr>
<tr>
<td>Alliance for New America</td>
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<td>$4,890,621</td>
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<td>Patriot Majority Fund</td>
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<tr>
<td>United Food &amp; Commercial Workers Union</td>
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<td>American Leadership Project</td>
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<td>RightChange.com Inc</td>
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<td>National Federation of Republican Women</td>
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<td>Young Democrats of America</td>
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<td>Majority Action</td>
<td>$2,494,046</td>
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Note: This data is based on records released by the Internal Revenue Service December 3, 2008.

A visible and very active union in 2008 was the Service Employees International Union (SEIU), whose 527 group reported $25.8 million in expenditures. In addition to SEIU, unions active as Section 527 organizations in 2007–08 include the International Brotherhood of Electrical Workers ($5.7 million spent), United Food and Commercial Workers Union ($3.7 million), Laborers Union ($2.2 million), United Brotherhood of Carpenters ($2.1 million), and allied worker groups like the National Education Association ($2.2 million). All of these organizations also had a PAC active in making direct contributions to candidates and party committees in 2007–08.

The much publicized divorce between the AFL-CIO and SEIU raised questions about the
level of union political activity in 2006 and 2008. Mike Lux of Progressive Strategies, commenting on 2006, saw the aggregate union effort of the AFL-CIO, the coalition Change to Win (comprising SEIU and six other unions), and the National Education Association as “more than in any earlier year.” Overall union activity rose again in 2008 to record-setting levels. Union alliances, including the AFL and Change to Win, in turn, often ran coordinated campaigns at the state and congressional district level. The Democratic team captain for 2007–08, America Votes, spent $20.7 million, slightly less than SEIU, at $25.8 million, while prominent America Votes member EMILY’s List spent $10.8 million.

Corporations, which in the soft money era were major players along with unions, now seem more content to watch from the sidelines. Allan Cigler’s description of corporate activity in 2004 is equally apt for 2008: both cycles “saw many corporations withdraw from the direct big-money involvement in elections that had characterized the party soft money era.” The already mentioned exception in 2008 was the business coalition the U.S. Chamber of Commerce, which faced off against the unions over the Employee Free Choice Act. Nicknamed “card check,” this mostly Democrat-backed legislation sought, in part, to streamline the process of union formation. Overall the Chamber and allies spent $36 million against the legislation and candidates who supported it. More broadly, the chamber worked to elect pro-business candidates.

Beyond the Chamber, the level of pro-Republican 527 activity was minimal in 2008.

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87 Mike Podhorzer, Deputy Political Director, AFL-CIO, interview by David Magleby, November 14, 2008.
88 Mike Podhorzer, Deputy Political Director, AFL-CIO, interview by David Magleby, November 14, 2008; Jon Youngdahl, National Political Director, SEIU, interview by David Magleby, November 12, 2008.
One of the largest 527 organizations in terms of expenditures was American Solutions Winning the Future. This group is closely identified with former House Speaker Newt Gingrich and claimed to not have been active in electioneering for Republicans or Democrats in 2007–08. Another group long identified with Gingrich, GOPAC, spent $8.1 million as a 527 organization. Both GOPAC and Club for Growth also had PACs active in 2007–08. Some Republicans would claim the anti-tax group Club for Growth actually hurts Republicans by spending against some GOP incumbents in primaries. This group reported spending $5.9 million as a 527 in 2007–08. The College Republican National Committee, spent nearly $6.5 million helping organize young Republicans around the country.91

The Democrat-leaning tendency of group spending in total was also reflected in a substantial imbalance of group spending for and against congressional candidates. The imbalance in spending helped Democratic candidates in competitive races in 2008, and so did the closer coordination among the Democratic interest group team that was facilitated by America Votes.

Interest groups on both teams have added a new tool to their voter mobilization strategies—ballot initiatives. Perceiving that the Bush campaign reaped and electoral dividend in higher turnout as a result of same-sex marriage initiatives in 2004, pro-Democratic groups sponsored minimum wage and other initiatives in 2006.92 Initiatives did not figure as much in the game plan of candidates, parties, or groups in 2008, but remain a strategy to return to in future election cycles.

A Look to the Next Match

American politics is dynamic and candidates, political parties, and interest groups experience ups and downs in popular support, including financial and volunteer support. Republicans in 2008 ran in an environment that was unfavorable to them in terms of an unpopular GOP incumbent in the White House and a party brand in decline. In many respects 2008 was an extension of 2006, where Republican congressional candidates had to defend an unpopular war and their response to scandal. The broader political environment in 2008 meant there was less enthusiasm for Republican candidates and their party than was the case in 2000 or 2004.

As has been true with all past presidents, Barack Obama’s popularity has declined during his time in office and that decline will continue. Comparing Obama to other presidents, however, requires recognition of his very high approval rating when he took office. In terms of future contests involving Obama, we don’t know what impact he or his political and fundraising skills will have. He has continued on a large scale a communications and activation network using e-mail and the Internet. 93 Should he run for reelection in 2012 he would begin with a substantial advantage over other candidates in fundraising and a national network of supporters and volunteers. Future presidential standard bearers for both parties will likely follow Obama’s 2008 game plan and decline public funding in the general election. This in turn will likely mean new records in fundraising and an even more presidency-centered election cycle in 2012.

Whether Democratic candidates in competitive congressional races will continue to have an advantage from national networks of donors, either through the Internet or other bundling operations (perhaps mounted by the American Trial Lawyers Association or EMILY’s List) is

less certain. The tools used by these and other groups to help candidates raise money are not limited to one ideological persuasion or political party. To date there is no evidence of a serious challenge to the Democratic advantage in this kind of candidate support.

In terms of political parties and campaign finance, the NRSC and NRCC have lost considerable ground to the DSCC and DCCC and now face the challenge of trying to catch up with the Democrats in an environment in which Democrats have the majority in both houses and control the White House as well. To compete with the Democrats, the NRSC and NRCC will need to find a way to raise money from members of Congress and from persons making large contributions, and must draw on the one-time strength of the GOP, small donors. Political parties can learn from their opposition and rebound quickly—and this could apply to the NRSC and NRCC. How the RNC will fare now that the party is not in control of the presidency is uncertain, but of the three national party committees, the RNC appears to be best positioned to compete with its Democratic counterpart.

What had been a Republican advantage in voter lists and microtargeting is no longer an advantage. Catalist and its array of interest group participants mean the Democratic team in 2010 and 2012 has advantages lacked by the Republicans, who rely largely on the party alone to update and refine their list. Both teams have skilled social scientists able to use the data, but the modeling is only as good as the data are current and accurate. The Democrats may well be able to surpass the Republicans in this dimension of elections in 2010 and beyond.

Democrats enjoy substantial advantages over Republicans in terms of their interest group teammates. During the era of soft money, when corporations helped provide soft money to Republican committees, there was more parity between corporations and labor in their spending on politics. With the soft money ban, corporations have scaled back their spending while unions
have increased their activity. Recent and pending court rulings provide ways for corporations to invest general treasury funds in political groups engaged in election related activity, but it remains unclear if corporations will use their resources in this way.⁹⁴

Another way Democratic interest group teammates provide more support going into 2010 and 2012 is through their active and involved membership organizations. Unions, teachers, and members of environmental and pro-choice groups are predictably active for Democrats. These groups not only provide money but also volunteer hours and personal contacts with friends and work associates—networks that have historically helped the Democrats more than the Republicans.

Of course, Republicans have the advantage of a more cohesive coalition, while keeping all of the Democrats happy is a challenge for Democratic party committees and candidates alike. But as we look to the next set of contests, the Democrats must clearly be favored.