Political Gridlock, Corporate Influence and Campaign Finance

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SEIPR Policy Forum:
Money, Politics and The Economy
1. Introduce new tools for studying money in politics

2. Ideological mapping of the economy

3. Avenues of influence, political gridlock, and campaign finance reform
• Campaign Finance Database
  – 85M+ records from 1979-Present
  – Encompasses state and federal elections
    – 10,561 federal candidates
    – 40,160 state candidates
    – 6,203 campaign committees
  – Identity resolution
    – 11.1 Million individual donors (3.1 million of which have given to two or more candidates)

• Spatial Model of Giving
  – Contributors as expert raters of candidate ideology
  – Statistical model recovers positions along a “latent” ideological dimension
The Bigger Sort

Ideology (Liberal/Conservative)
Contribution statistics of members of Forbes 400

- Made campaign contributions: 377
- Total amount donated: $458.7M
  - Mean: $1.21M
  - Median: $355,100
Regression highlights

- Self-made billions are one average more liberal
- Strong generational effects
- Ideology varies by industry
The Debt Ceiling Crisis
Avenues to Influence

Influence

Lobbying
Access-Seeking
Subsidizing

Selection

Start-up Funds
Competitive races
Advertising

Elections

Policy
Corporations spend much more on lobbying than all other types of political activity combined.
How do Corporations Spend on Politics?

Corporate Political Spending by Type

- Corporations spend much more on lobbying than all other types of political activity combined.

$5,177M

$106M

$128M

$401M

$400M

$15.5M

$5,177M

$106M

$128M

$401M

$400M

$15.5M

2004

2006

2008

2010

$ (Millions)
How do Corporations Spend on Politics?

Donations to the House (2010 election cycle)
Ideology of Joe Wilson's Donors Before and After Outburst
## Top Fundraising Pages

<table>
<thead>
<tr>
<th>Title &amp; Author</th>
<th>Donors</th>
<th>Total Raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>stop the Republican war on working families</td>
<td>38,536</td>
<td>$909,880.08</td>
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<tr>
<td>Progressive Change Campaign Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orange to Blue 2012</td>
<td>30,866</td>
<td>$940,771.05</td>
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<tr>
<td>Kos</td>
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<td></td>
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<tr>
<td>Support the Wisconsin Recall</td>
<td>30,253</td>
<td>$988,662.72</td>
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<tr>
<td>MoveOn.org Political Action</td>
<td></td>
<td></td>
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<tr>
<td>help the PCCC keep fighting for bold change for Wisconsin</td>
<td>29,496</td>
<td>$826,847.63</td>
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<tr>
<td>PCCC</td>
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<tr>
<td>help Elizabeth Warren fight against Wisconsin</td>
<td>29,412</td>
<td>$778,327.37</td>
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<tr>
<td>Progressive Change Campaign Committee</td>
<td></td>
<td></td>
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<tr>
<td>the official PCCC Wisconsin Recall campaign</td>
<td>29,190</td>
<td>$546,747.29</td>
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<tr>
<td>Progressive Change Campaign Committee</td>
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<td></td>
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<tr>
<td>our TV ad to recall Wisconsin Repub...</td>
<td>28,256</td>
<td>$656,822.84</td>
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<tr>
<td>PCCC Recall Committee &amp; DFA Wisconsin</td>
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<tr>
<td>Orange to Blue</td>
<td>25,620</td>
<td>$2,408,451.17</td>
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<td>Daily Kos</td>
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<tr>
<td>Recall Scott Walker</td>
<td>21,295</td>
<td>$722,690.32</td>
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<tr>
<td>Scott Walker Recall Campaign</td>
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<tr>
<td>Fight back in Wisconsin</td>
<td>19,712</td>
<td>$457,733.90</td>
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<tr>
<td>Democracy for America</td>
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</tr>
</tbody>
</table>
The Partisan Purge

Corporate Executives

Independent Expenditures

Corporate PACs

Small Donors (<$200)
The Partisan Purge

Corporate Executives
Independent Expenditures
Corporate PACs
Small Donors (<$200)
Fundraising Sources by Ideology

Breakdown of funds to candidates to extreme and center wings of the party?
Avenues to Influence

Influence
- Corporations
- Special Interest Groups

Selection
- Ideological Donors

Buying Access
- Lobbying
- Access-Seeking
- Subsidizing

Buying Ideology
- Start-up Funds
- Competitive races
- Advertising

Elections

Policy

What does this mean for campaign finance reform?