

What 2020 - 2021 Donation Data Shows About Our Country

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Introduction

Campaign finance involves the funding of political promotions, such as elections and policy initiatives, by individuals or organizations looking to push their political views. When it comes to elections in the United States, campaign finance is a critical component in determining wins and who doesn't. Analyzing campaign donation data can show a lot about the current state of America, and what it means for us as a whole.

This report analyzes transaction data from the last 4 months of 2020 and the first 8 months of 2021 to make conclusions about who donates and why.

Who Transacts the Most?

States

When looking at individual states, the states with the most and least transactions are mostly unsurprising:

Most Transactions:

- California - Transacted 1,433,000 times - Population: 39.7 million
- Texas - Transacted 679,000 times - Population: 29.2 million
- Florida - Transacted 620,000 times - Population: 21.6 million

Least Transactions:

- Puerto Rico - Transacted 2,900 times - Population: 2.7 million
 - North Dakota - Transacted 12,649 times - Population: 780,000
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- Wyoming - Transacted 15,000 times - Population: 590,000

Most of the lack of transactions can be explained thanks to population differences within the states. Although, there appears to be one main outlier: Puerto Rico. Puerto Rico has transacted 4x less than North Dakota, despite having more than triple of North Dakota's population. The reasoning for this can be explained thanks to Puerto Rico's poor, as more than 40% of its population lives below the poverty line, much higher than any mainland state. A poor population cannot afford to donate much to politicians.

Cities

Inspecting transaction counts on individual cities(including small towns) paint a picture on the types of individuals which perform campaign finance. Small Towns are denoted by performing <200 transactions throughout the year.

Most Transactions:

- Small Towns - Transacted 314,000 times
- New York City - Transacted 174,000 times
- Los Angeles - Transacted 93,700 times
- Houston - Transacted 86,800 times
- Chicago - Transacted 69,000 times

The data shows that small towns and cities still play a critical component in elections and political initiatives. However, large cities are continuing to carry out a large part in campaign finance. New York City, Los Angeles, and Houston combined carry out more transactions than all small towns.

Who Donates the Most?

States

Inspecting average donation amounts per state provides an interesting perspective on the state of US politics, and allows understanding of where politically involved people and organizations tend to reside.

Most Donation Amounts:

- Washington DC - \$950 Average Donation
- Puerto Rico - \$280 Average Donation
- Nevada - \$260 Average Donation

Least Donation Amounts:

- Hawaii - \$70 Average Donation
- West Virginia - \$80 Average Donation
- Oregon - \$80 Average Donation

The states with the least mean donation amount are those that have less to lose or win in political elections and initiatives. Hawaii, West Virginia, and Oregon are the states that are the least engaged in the political sphere.

Unsurprisingly, Washington DC has the highest average donation amount, as it houses federal politicians and is the capital of the USA. Astonishing, however, is that Puerto Rico has the 2nd highest mean donation amount in America, despite having the least amount of transactions. This appears to be because of Puerto Rico's poor state as a result of its government, making donations more politically charged and 'important' in the eyes of the donors. Nevada has the 3rd highest mean donation amount, meaning its population shows high interest in politics.

Cities

Examining which cities donate the most on average shows where high political influences tend to be concentrated in. Results are paired with GDP Per Capita, which represents the average person's economic output in an area.

- Greenwich - \$1100 Average Donation - \$98,000 GDP Per Capita
- Aspen - \$700 Average Donation - \$67,000 GDP Per Capita
- Palm Beach - \$600 Average Donation - \$83,000 GDP Per Capita
- Los Altos - \$600 Average Donation - \$130,000 GDP Per Capita
- Menlo Park - \$500 Average Donation - \$86,000 GDP Per Capita

What is noticeable in the Top 5 list is that all of the cities GDP Per Capita are significantly higher than the US Average of \$33,000. This shows that voters from rich cities tend to have a lot more political power than those from poorer cities, as people from richer cities are donating much more in politics on average. Political campaigns tend to listen to those who pay the most, which poses an income inequality issue in United States politics over campaign finance. People from richer cities, who can donate more on average, are possibly having their voices heard more than those from poorer areas.

Occupations

Different occupations tend to donate in a variety of different ways. Looking at which occupations donate the most shows what types of people have the most political influence.

- Retired - Average Donation: \$80
- Not Employed - Average Donation: \$70
- Attorney - Average Donation: \$420
- Physician - Average Donation: \$170
- Engineer - Average Donation: \$150

Retired and unemployed folks make up a large part of the population, topping the list of transactions. As attorneys deal with legal cases, and politics and law intertwine in many cases, attorneys generally donate more than other jobs. Physicians and engineers are common and relatively high-paying, making them on the list.

The salary of a job, mixed in with how common it is, greatly affects the amount of money devoted to campaign finance relative to the individual.

Conclusion

The results of analyzing over 8,000,000 political donations from Aug 2020 - Aug 2021 show that an increasing amount of political power comes from cities with rich residents, rather than the average folk. Campaign finance is crucial to determining who wins elections and what initiatives pass, and it's largely perpetuated by the highest income earners concentrated in abnormal, rich areas. Steps should be made to address this issue, in order to make America more democratic.
