

Reading the Fine Print: Issue Advertisements and the Persuasive Effects of Campaign Finance Disclosures

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Body

ABSTRACT

There is an expectation among practitioners that advertising disclosures work to inform voters about who is speaking and whether they should trust the information in the advertisement. However, existing research suggests that current disclosure regulations may not perform as reformers expect. These studies indicate that voters may be deceived by strategically chosen interest group names that falsely project knowledge or trustworthiness. In this study, I measure how actual campaign names and interest groups are perceived by individuals in terms of their knowledge and trustworthiness. I then experimentally vary the campaign finance disclosure within a ballot initiative advertisement to see how these disclosures affect respondents' issue preferences. This study found that in some cases, there was no difference between an advertisement with no disclosure and one with a veiled disclosure message. In other cases, this level of disclosure reduced support for the issue. In most cases, respondents appear to condition their support on the credibility of the campaign donor disclosed. In some cases, respondents are deceived by the perceived credibility of campaign names when less comprehensive disclosure is used.

FULL TEXT

Statewide ballot propositions are popular. Many localities have them too. In any given election, voters are likely to face direct democracy questions generated by initiatives, legislatures, cities, counties, and special districts. This campaign environment is increasingly filled by unknown interest groups. Propositions are unique because they have no individual contribution limits, potentially allowing a high number of advertising buys from a few wealthy donors.

One such case is California's Proposition 16 (2010), the Yes campaign took in US\$46.5 million in contributions almost entirely from Pacific Gas & Electric Company (US\$46.4 million). In this study, I examine to what extent different campaign cues impact support for ballot initiatives. We know that cues can both help and hinder decision making. An initial step in examining the relationship between voter competence and disclosures is testing whether the disclosure institutions impact opinions about real-world advertisements. Whether there is a difference between

cues transmitted by disclosure institutions and whether those differences result in a loss of information to the electorate are questions with implications for campaign finance reform and democracy. This study makes three findings. First, it confirms a backlash effect to arguments made by noncredible speakers. Second, it shows that veiled disclosure laws appear to increase the persuasiveness of arguments made by noncredible campaign donors. Third, in three of the six advertisement cases studied here, there was no difference in support between the control and veiled treatment groups. Fourth, this study reaches the limitations of persuasion a couple instances, also known as a ceiling effect. A ceiling effect occurs when an independent variable no longer has a measurable effect on the dependent variable. There are two cases in this study that show potential ceiling effects.¹ The following sections describe the problem of veiled political actors, how ad disclosures are studied, and how people make decisions on ballot initiatives. I conclude with the benefits of the present research design.

Veiled Political Actors

Scholars reference a divide between a campaigner's true identity and political interests and what is conveyed by the legal title of the campaign entity (Gerber & Lupia, 1999). A veiled political actor is "a political entity wishing to avoid disclosure relating to the source and extent of their spending on ballot questions" (Garrett & Smith, 2005). Commonly, they adopt names that suggest grassroots political engagement (e.g., "Californians Against Higher Taxes"). In the ballot proposition context, campaign names are ad hoc and serve a single purpose or argument, this tends to be the case for many issue advertisement campaigns as well. Moreover, unlike more traditional interest groups that stand for long-term policy and membership goals, these groups are unknown and singularly focused on one static, unchanging, policy proposal. Experiments varying the disclosure cues in candidate advertisements find that unknown groups tend to be persuasive (Dowling & Wichowsky, 2015; Ridout et al., 2015; Weber, Dunaway, & Johnson, 2012). The whole concept of a veiled political actor is that unknown group names are strategically selected to add credibility to less popular arguments. In this telling, a group like Ward Connerly's antiaffirmative action group American Civil Rights Institute could be confused with the American Civil Liberties Union (ACLU), falsely implying the groups share interests or political goals. Second, unknown groups do not suffer from negative prior associations with voters, thus providing a blank slate for less trustworthy campaigners (Dowling & Wichowsky, 2015; Garrett & Smith, 2005). In both ways, unknown group names can increase the persuasive power of noncredible speakers, precisely the conditions for deception outlined by Lupia and McCubbins (1998).

Ballot Initiatives

Ballot initiatives represent a domain where voters tend to know a lot less than is expected of them (Bowler & Donovan, 1998). Observational studies show that voters can use their knowledge of elites' positions to make welfare improving decisions (Karp, 1998; Lupia, 1994). However, one limitation of an observational approach is that awareness of elites' positions is likely to covary with respondents' sophistication or interest in the election. The treatment, exposure to elites' positions, is not randomized in a way that would allow researchers to isolate the informational effect of the position itself. This represents an opportunity for a study using observed political stimuli and elite positions in a controlled experimental setting.

Deception and Ballot Initiatives

Lupia and McCubbins (1998) argue that voters use information shortcuts to overcome their lack of comprehensive political knowledge. Using an agency-theory framework, Lupia and McCubbins prove that cue-givers can persuade individuals only when they meet certain conditions. The first condition is knowledge. If the individual does not perceive the cue-giver as knowledgeable, persuasion cannot occur. The second condition is common interests. The individual receiving the cue must believe that he and the cue-giver desire the same outcome. When there is a conflict between the interests of the cue-giver and individual, the cue-giver can still be persuasive if an external force, such as a threat of verification or a penalty for lying, forces the cue-giver to divulge what he or she knows. These external forces can substitute for common interests.

Extending Lupia and McCubbins's (1998) logic to ballot initiatives, Gerber and Lupia (1999) identify conditions under which endorsements of initiatives lead to voter competence or deception. As in Lupia and McCubbins's theory, the outcome hinges critically on whether the endorser shares the voter's interests. In the initiative context,

however, identifying endorsers with common interests is particularly difficult because populist sounding campaign names can mistakenly convey shared interests, thereby empowering them to deceive voters seeking expert advice. For example, the group Californians to Protect Our Right to Vote has a prodemocracy ring to it. In reality, the group is created and wholly sponsored by Pacific Gas & Electric Company to advocate a normatively less democratic policy. Garrett and Smith (2005) cover this campaign strategy at length, naming the murky interest group identities "veiled political actors." The U.S. Supreme Court called such groups "dubious sounding" in *McConnell v. FEC* (2002) and reiterated the point again in *Citizens United v. FEC* (2010). Such campaign names project more trustworthiness or expertise than does the major campaign donor. Therefore, their participation in ballot campaigns is likely to deceive voters if they mistakenly perceive that such veiled groups are knowledgeable and share their interests.

A variety of observational studies test the logic of Lupia and McCubbins (1998) and Gerber and Lupia (1999) in the initiative context. For example, Lupia (1994) examined whether voters could use knowledge of the insurance industry's position on ballot initiatives about automobile insurance to make informed decisions about those measures. He found that voters were able to use these interest groups' support or opposition for the proposals as a cue for how they should vote (namely, against the recommendation of the insurance industry). Similar work by Karp (1998) sought to estimate the effect of an elite endorsement in an initiative campaign. A 1991 ballot question on term limits provided both a highly salient issue and prominent elite campaigner, Washington state House speaker Tom Foley. Karp found that voters who could recall Foley's position were likely to have voted consistent with their feelings toward him (on a 100-point feeling thermometer, a proxy for shared interest).

How does issue salience this process? In the real world, a highly competitive campaign acquaints voters with the endorsers (Gerber & Lupia, 1995). In the lab, a high salience issue like immigration may dampen respondents' interest in knowing the issue positions of interest groups and elites. Under these conditions, when interest group endorsements become known they may be of only marginal use to voters (Primo, 2013). In other words, there are issue cases where interest group endorsements can be inferred, say Sierra Club on an environmental question. There are other cases where the campaign itself primes voters with endorsements or the campaigners want to make their sponsors identity known. In both those cases, we should expect the additional information in a disclosure to have marginal effect or are well known to voters by virtue of the campaign. The question that remains is how do campaign cues, particularly veiled political actors, work in less salient issue contexts.

Recent research suggests that such conditions are unlikely to be met in many initiative elections. To surmount these difficulties of observational studies, a growing literature is using experiments to examine campaign finance disclosure within televised campaign advertisements (Brooks & Murov, 2012; Dowling & Wichowsky, 2013, 2015; Groenendyk & Valentino, 2002; Ridout et al., 2015; Weber et al., 2012). These studies have experimentally varied the "Paid for by" sponsor within candidate campaign advertisements and issue advertisements. Two regularities emerge in these experimental studies that vary sponsorship cues. First, attack ads are generally perceived less favorably when sponsored by an opposing candidate (Groenendyk & Valentino, 2002; Weber et al., 2012). Candidate sponsored attacks are seen as less persuasive because the speaker stands to benefit directly from diminishing his or her campaign rival. In other words, the speaker has an apparent conflict of interest with respect to providing fair information about his or her opponent. This conflict of interest becomes apparent to respondents via campaign finance disclosure text within the advertisement. In addition, candidates receive a "backlash effect" in which their own evaluations suffer as well as those of their opponents (Brooks & Murov, 2012; Dowling & Wichowsky, 2015). The second regularity is that ads are more persuasive when sponsored by unknown political action committees than when sponsored by candidates. Furthermore, unknown interest groups are as persuasive as known, credible interest groups (Weber et al., 2012). In a classic example, Weber et al. (2012) find that an endorsement by the fictitious group *Citizens for a Safer America* was as persuasive as *National Rifle Association* for individuals with positive priors toward the NRA.

Political advertisements come in two forms, they are either about candidate elections or they are issue ads. Within the class of issue advertisements, there are also two types. There are ads that encourage viewers to take political action, such as contacting an elected official. Sometimes issue ads are informational and contain no call to action. The other kind of issue ad is one advocating a position on a ballot question before voters. I chose to study ballot

initiatives because there is not much research in the area of lower salience ballot initiatives and disclosure cues. My study contributes to existing research in three ways. First, I examine the effect of different types of disclosure regulations (i.e., no disclosure, veiled disclosure, full disclosure) in ballot initiative advertisements. I leverage real proposition issues, real advertisements, and actual campaign names/interest groups. Third, to interpret the results using source credibility theory, I deploy a pretest to evaluate perceptions of interest group endorsers. By doing so, I can make a statement about the performance of campaign finance disclosure institutions and how they affect decision making.

Hypotheses

The foregoing discussion suggests predictions about the conditions under which citizens will be persuaded by political advertisements and their sponsors. Applying the logic of Lupia and McCubbins (1998) to the domain of advertising, I expect that credible (i.e., knowledgeable and trustworthy) groups should increase the reception of the advertisement's argument. This leads to the following prediction:

Hypothesis 1: Groups perceived as knowledgeable and trustworthy will be persuasive. Thus, there will be increased agreement with their argument.

According to the survey pretest, all veiled campaign names in this study are credible. This hypothesis aligns with existing work showing veiled (populist sounding) names are persuasive. The assumption is that their persuasive quality results from lack of prior attitudes.

In contrast, an ad with no interest group endorsement may be more persuasive than the exact same ad sponsored by a noncredible group. As Lupia and McCubbins (1998) suggest, citizens will not follow the recommendations of groups that they do not perceive to be knowledgeable and/or trustworthy. This yields the following prediction:

Hypothesis 2: Groups perceived as not knowledgeable or trustworthy will not be persuasive. Thus, there will be no change in agreement with their argument or potentially a backlash against their argument.

Survey Design

Three recent California ballot propositions were used in the study.² The first is **Proposition 16 (2010)**, which proposed raising the vote threshold required, to two thirds, to form publicly owned electricity plants. Publicly owned plants may reduce profits for investor-owned electricity firms, but they may offer positive benefits to consumers. Proposition 16 makes it harder to form a municipal owned utility. Its sole proponent was Pacific Gas & Electric. The second is **Proposition 26 (2010)**, a measure to expand the definition of tax to include fees. The status quo allowed the California state legislature to approve fees with a majority vote, whereas taxes require a two thirds vote for passage in each house. Politicians have kept promises not to increase taxes and raised revenue through fees, which have a lower vote threshold. One industry that is subject to these fees are oil producers, as such big donors to this effort included Shell and Chevron. The third issue is **Proposition 37 (2012)**. This proposition would require that most genetically modified foods be labeled for consumers, require the Department of Public Health to regulate labeling, and allow individuals to sue manufacturers for incorrect product labeling. It was supported by organic food producers and Whole Foods, while Monsanto opposed the initiative.

After selecting these three initiatives, I conducted a pretest survey using a convenience sample at a large public university ($n = 215$).³ The pretest asked subjects questions about the actual interest groups and campaign names affiliated with the pro- and antisides of these initiatives. For each interest group, the pretest asked subjects a total of four questions about the groups' level of expertise and trustworthiness.⁴

Having identified interest groups that allow me to test my hypotheses, I then conduct experiments in which I systematically vary the disclosure text within an advertisement. For each initiative, the experimental stimulus includes both a summary of the proposed measure and a television advertisement. The short description is an excerpt taken from the official summary written by California's nonpartisan Legislative Analyst Office (LAO). I chose the LAO summary because the office is highly regarded for its rigorous, nonpartisan policy analysis. The LAO summary appears in the California Voter Guide, a State publication sent to all voters during the election year. The

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summary includes details such as costs, existing law, and implementation dates. The excerpted summary does not include information about campaigns, interest groups, or other cues regarding who supports or opposes the proposal. I included the summary as part of the experimental stimuli to give participants context and prior information before receiving the treatment, though participants do not know that the summary is from the LAO. An example of the LAO statement is displayed in Table 1.

Table 1.

Proposition Description by California Legislative Analyst's Office.

Major provisions of Proposition 37 This measure makes several changes to state law to explicitly require the regulation of genetically engineered foods. Specifically, it · Requires that most genetically engineered foods sold be properly labeled; · Requires Department of Public Health to regulate the labeling of such foods; · Allows individuals to sue food manufacturers who violate the measure's labeling provisions. Retailers (such as grocery stores) would be primarily responsible for complying with the measure by ensuring that their food products are correctly labeled. Products that are labeled as genetically engineered would be in compliance. For each product that is not labeled as genetically engineered, a retailer generally must be able to document why that product is exempt from labeling.

In the control group, respondents watch an advertisement for each initiative without any disclosure. That is to say the disclosure text was removed from the end of the ads. It also provides a baseline measure of subjects' opinions about the initiatives when no interest group/campaign name is revealed.

In the "veiled group" treatment, respondents see the same advertisement as in the control group. However, the name of an actual registered campaign that sponsored the ad appears for 5 s at the end of the ad. Table 2 displays images of each experimental treatment for one advertisement. We see the disclosure text reads, "Paid for by" followed by an actual interest group in the Proposition 26 debate "Californians Against Higher Taxes."

Table 2.

Proposition 26 Treatments.

Control

Veiled disclosure

Full disclosure

In the "full disclosure" treatment group, respondents see the same information as in the "veiled group" treatment, but with the addition of the text "with Major Funding by" followed by a known interest group. As shown in Table 2, on Proposition 26, the disclosure reads, "Paid for by Californians Against Higher Taxes with Major Funding by Chevron." The disclosure text in this treatment group also appears at the bottom of the screen during the final 5 seconds of the ad. Table 3 displays the interest group names associated with each issue case.

Table 3.

Advertisements and Disclosure Treatments.

Advertisement	Campaign name	Major donor
Yes on 16	Californians to Protect Our Right to Vote	Pacific Gas & Electric Co.
No on 16	Stop the PG&E Powergrab	Sierra Club
Yes on 26	Californians Against Higher Taxes	Chevron
No on 26	Californians for Clean Air & Clean Energy Jobs	Nature Conservancy
Yes on 37	Californians for Truth in Labeling	Whole Foods
No on 37	Coalition Against the Deceptive Food Labeling Scheme	Monsanto

After viewing each ad, respondents are asked whether they support or oppose the initiative. Response options included *strongly support*, *somewhat support*, *somewhat oppose*, *strongly oppose*, *neither support or oppose*, and *don't know*.

Method

To test my hypotheses about the effect of campaign finance disclosure and source credibility on persuasion, I conducted an experiment in the political science department lab. Students were recruited from political science undergraduate courses and compensated for their participation with extra credit. A total of 662 adults participated in the study. Table 4 shows the demographic characteristics of the pretest and randomized trial groups. Participants were randomized to see three advertisements about ballot initiatives, each of the three ads was shown in a random order to reduce order effects. Participants viewed all three ads under the same disclosure institution (e.g., the control group received three control treatments). Data analysis was performed using a difference in means test to assess whether there were differences between control and treatment groups in their support for the initiatives. The outcome variable of interest *Support for the proposition* is measured on a 5-point scale that includes a *Don't Know* option. This variable is collapsed to a *Support/Not support* dichotomy. This transformation was performed because I am ultimately concerned with whether respondents are on the same side of an initiative as a credible or not-credible endorser. The case and domain selection also allow for a clean dichotomy, status quo vs. policy change, as the policy proposal is fixed and nonnegotiable. In my analysis, *strongly support* and *somewhat support* are coded as 1, whereas *somewhat oppose* and *strongly oppose* are coded as 0. *Don't know* and *Neither support nor oppose* responses have also been set to 0. The results are consistent regardless of whether these *don't know* and *neither support nor oppose* responses are included or excluded in the analyses.⁵

Table 4.

Demographic Characteristics.

	Pretest	Randomized trial
<i>n</i>	133	407
Age	20.8	21.3
Gender	63% female	60% female
	2.25	2.26
Ideology (<i>M</i>)		
Politically sophisticated	40%	45%

Note. Ideology is measured on a 7-point Likert-type scale where "1" means *extremely liberal*; Sophistication is a dichotomous variable. It is derived from an index of six questions. Sophistication takes the value of "1" if a respondent correctly answered all six questions.

Results

The results show support for my predictions about the effects of full disclosure on persuasion. Specifically, they show that when the interest groups disclosed were credible respondents accepted the argument made by the advertisement. When the disclosed group was noncredible, respondents tended to switch their support away from the argument made by the advertisement. The results do not support the predicted effects of veiled endorsers. Rather, in some cases, support for the issue did not vary between the control and veiled treatments. In other cases, the veiled group name weakened the persuasiveness of the ad relative to the control group. In no case, did the veiled group endorsement increase support relative to the control group. The expectation that veiled "populist sounding" names would be universally persuasive, or more persuasive than the control treatment, was not supported. Table 5 displays summary statistics for all treatment conditions.

Table 5.

Summary Statistics for All Treatment Conditions.

Argument	Treatment	<i>n</i>	<i>M</i>	<i>SE</i>
Yes 16	Control	83	.70	.05
Veiled	66	.61	.06	

Argument	Treatment	<i>n</i>	<i>M</i>	<i>SE</i>
Full	72	.58	.06	
Yes 26	Control	84	.63	.05
Veiled	66	.59	.06	
Full	72	.50	.06	
Yes 37	Control	84	.85	.04
Veiled	66	.80	.05	
Full	69	.51	.06	
No 16	Control	62	.23	.05
Veiled	54	.31	.05	
Full	69	.23	.05	
No 26	Control	62	.23	.05
Veiled	54	.22	.06	
Full	68	.18	.05	
No 37	Control	62	.56	.06
Veiled	54	.56	.07	
Full	69	.51	.06	

Figure 1 shows the results from the veiled disclosure treatment for three Yes-side advertisements. All three groups are perceived as trustworthy and knowledgeable according to the pretest data. Working from the left-most columns in Figure 1, there is a noticeable difference in support for the proposition when the group Californians to Protect Our Right to Vote is disclosed. This decrease is not statistically different from the control group. However, it would appear that this appeal with disclosure may not work as well as the control version advertisement. In the other two Yes-side advertisement cases, we see there is little movement in support from the control ad. The middle pair of bars represent the results from the tax and fees issue. We see a slight dip in support (4 percentage points) when Californians Against Higher Taxes is revealed, but it is squarely within the margin of error. A similar difference (5 percentage points) is observed in the right-most bars, which represent the results from the yes on GMO (genetically modified organism) labeling advertisements. There is a significant decrease in support when Californians for Truth in Labeling is disclosed ($p = .05$). This is an interesting result because it is not predicted by either hypothesis. While expectations were that veiled political actor names would increase the persuasiveness of the ads, Figure 1 shows that support appears to decrease in all three cases.

Figure 1.

Veiled interest groups (all credible)-"Yes" ads.

$p = .12$. $*p = .05$.

Figure 2 displays the results for three No-side advertisements in the control and veiled disclosure conditions. This figure is coded like Figure 1, with support increasing along the y -axis. However, all three advertisements urge a no-vote, so in theory the most persuasive argument should result in the lowest level of support. Starting with the left-most pair of bars, we see that disclosure of "Stop the PG&E Powergrab" decreased support by 8 percentage points, this difference borders on statistical significance ($p = .08$). The middle pair of bars show the effects when the veiled group Californians for Clean Air & Clean Energy Jobs is revealed. There is no difference between the control and treatment conditions. Similar results were found for the anti-GMO campaign at the far right in Figure 2. Support stays at 56% in favor of GMO labeling, whether respondents saw the control ad or the "Coalition Against the Deceptive Food Labeling Scheme" treatment. Synthesizing the results from Figures 2 and 3, veiled political actors appear to help the advertisement remain as persuasive as the control treatment. In three other cases, the veiled political actor name marginally decreases support for the issue. This is an unexpected result because according to

theory, a credible speaker should increase the incidence of persuasion. These results show, in half the cases persuasion decreased in the other half persuasion remained the same.

Figure 2.

Veiled interest groups (all credible)-"No" ads.

* $p = .08$.

Figure 3.

Full disclosure with credible groups.

$p = .20$.

The second form of disclosure I examined stylizes the most comprehensive form of disclosure found in states like California and Alaska. According to the pretest of interest group names, three of the known interest group campaigners scored as being credible sources, whereas three interest groups were rated as not trustworthy, or noncredible sources of information (). Thus, it is helpful to dissect the results of the "full disclosure" treatment with respect to the campaigner's credibility to isolate when disclosure matters, when it obscures enlightenment, or when it facilitates deception. It is profitable to separate these two scenarios because they expose the relevance of the results for campaign finance reform; particularly, in the issue advertisement context. In theory, credible campaigners should produce enlightenment, decisions that improve one's well-being. Disclosure allows individuals to obtain welfare improving information from the campaign's speaker. The disclosure regulations I exploit in this experiment allow me to examine two states of the world. The first is when the campaigner is a credible source but their identity is veiled. The second situation is one in which the campaigner is noncredible but the veiling of their identity obscures the conflict between respondents' and campaigner's interests.

Figure 3 shows little evidence for Hypothesis 1: that support for the proposition will increase when a credible endorser is present. In all cases, credible interest group endorsers exhibit the same level of persuasion as the control group. Moving across Figure 3 (left to right), we see that the ad Paid for by Stop the PG&E Powergrab with Major Funding by Sierra Club is quite effective. The ad urges a No-vote, support is at 23%, the same as the control ad. The middle bars show the result from the treatment Paid for by Californians for Clean Air & Clean Energy Jobs with Major Funding from Nature Conservancy is as effective as the control treatment. There is slight support for the expectation that individuals will follow a credible source (Nature Conservancy) as the disclosure version ad urges a No-vote draws 5 percentage points less support for the issue, however, this does not reach statistical significance. Finally, the right pairing in Figure 3 shows the Yes on GMO labeling advertisement with the full disclosure treatment Paid for by Californians for Truth in Labeling with Major Funding by Whole Foods. The control and disclosure treatment both show 85% support for this issue.

Figure 4 shows the results for three noncredible interest groups. In the left-most comparison, I find evidence to support Hypothesis 2: that groups perceived as lacking knowledge or trustworthiness would not be persuasive. Support decreases from 70% in favor to 58% when the disclosure "Californians to Protect our Right to Vote with Major Funding by Pacific Gas and Electric" is revealed. This 12 percentage point difference, which is statistically significant ($p = .06$). It also represents a 3 percentage point decrease from the Veiled treatment alone. I suspect this is because PG&E is less trustworthy and not because they lack expertise on this issue. I also find the same result when another less than credible funder is disclosed in the Proposition 26 case. My expectation (Hypothesis 2) is that support will decrease when Chevron is revealed. The middle pair of results show the comparison when "Californians Against Higher Taxes with Major Funding by Chevron" is disclosed. Support for Proposition 26 decreases from 63% to 50% with this particular treatment. This 13 percentage point difference is statistically significant ($p = .06$). The treatment is 9 percentage points below that of the Veiled group only treatment.

Figure 4.

Full disclosures with noncredible groups.

* $p = .06$.

Finally, Monsanto is the noncredible group in the GMO case study. I find no support for (Hypothesis 2) that a less credible source will reduce persuasion in this case. When respondents saw an anti-GMO labeling ad with the disclosure text Coalition Against the Deceptive Food Labeling Scheme with Major Funding by Monsanto, support for the issue decreased 5 percentage points. This finding is surprising as Monsanto was not only the least trustworthy group in this case, but it also had the lowest trust rating of *any* interest group rated. That said, Monsanto is objectively an expert on the issue of GMOs, which the pretest perceptions confirm. The result may be reconciled by the fact that Monsanto is the most knowledgeable interest group on the issue of GMOs according to the pretest data. Another explanation is that 51% could represent a floor of support for labeling among this population.

Importantly, my design also allows for comparisons between Veiled and Full disclosure treatment conditions. Any differences between these groups will speak to real differences in existing campaign finance regulations, so presumably variance in public opinion is driven by disclosure institutions and by campaigner's strategy (Gerber & Lupia, 1999). In other words, opinion is linked to what the campaigner says and what the public knows about the speaker. Strategy, or the campaigner's intent, is a crucial component that takes us beyond questions concerning which appeal is more persuasive. Take, for instance, the difference in support between the Californians Against Higher Taxes advertisement and the same ad with the campaign name and Chevron. Here the disclosure institution produces a difference of 9%, hardly inconsequential. However, we can describe that percentage of respondents as those who were deceived by the CA Against Higher Taxes endorsed advertisement. If they knew Chevron was behind the group, they would not have supported the proposal. The same is true in the municipal electricity case, where my results show that 3% fewer support the PG&E branded ad compared with the Veiled treatment.

Conclusion

This experiment examined the effects of credible and noncredible advice in the context of campaign finance disclosures. In general, unknown interest groups are evaluated as credible and individuals responded by accepting their advice. When an ad is sponsored by a noncredible interest group, a significant number of individuals rejected the argument. This result suggests that veiled disclosures increase the persuasive power of noncredible speakers. In theory, if a noncredible speaker (one lacking knowledge or trust) is persuasive, the result is deception (Lupia & McCubbins, 1998). In *Citizens United v. FEC* (2010), the U.S. Supreme Court lamented that campaign funders were hiding behind dubious sounding campaign names. To examine the Supreme Court's hypothesis, this study used real advertisements, campaign names, and top donors. This study confirmed the Supreme Court's hypothesis by showing that the veiled disclosure institutions (e.g., dubious names) create opportunities for voter deception. This study also lays out a robust case selection scheme that allows researchers to make the most of respondent sample biases.

The results should be interpreted as confirming source credibility theory while accounting for many moving parts that increase the external validity of this work (cases, media, names, policy detail, disclosure regimes). However, the magnitude and direction of respondent attitudes is more heterogeneous outside the campus laboratory setting and thus a different sample would have yielded different attitudes with respect to raw support, but I have no reason to believe results from a different sample would have rejected the hypotheses above.

The BCRA standard of campaign finance disclosure, which I referred to as the veiled experimental condition, is the most common form of advertising disclosure. Existing research has experimented with this standard and concluded that unknown campaigners are quite persuasive in single-sided ad treatments. If ideological preferences are arrayed along a unidimensional line, ballot initiatives represent a single unchanging point along that continuum. Ballot initiatives also represent political decisions where campaigners influence the political agenda. Four elements of the political context work to the campaigner's benefit. First, the campaigner selects the location of the ballot measure along the unidimensional scale. Second, the campaigner chooses their campaign identity (e.g., Californians to Protect Our Right to Vote). Third, initiatives are an instance where voters are likely to know little about the issue, not to mention the technical details and implications of a specific proposal. Fourth, it is very likely that voters will know nothing about the campaigner's identity under the BCRA standard. These factors limit campaign transparency and can make it harder for voters to make welfare improving choices.

This study found that in half of the cases there is no difference between an advertisement without disclosure and one with the veiled BCRA standard. In the other half, this level of disclosure reduced support for the issue. I do not have a theoretical explanation for this result. I can speculate that some respondents may react cynically to veiled names or they may take issue with the disclosure institution itself. It could also be that they are using the disclosure institution as it was intended, there could be divide between their preferences and what is projected by the group's name. However, this article finds the disclosure standards should be made more, not less, rigorous. This logic follows from Gerber and Lupia (1999): if the campaigner selects a name that projects trust that is unwarranted, this creates opportunity for deception. I found that in two cases, there is a difference between the veiled and full disclosure group that approached 10%, which is certainly enough to swing a close election. Because people use peripheral processing to make sense of complex and unfamiliar political objects and issues. This study demonstrates that that processing shortcut has limitations, those limitations are easier to exploit under some institutions. However, we should expect variation, conditioned on endorser's familiarity, when we examine how comprehensive disclosure regimes perform. Said another way, requiring disclosure of top donors can be a helpful cue if those donors are familiar to voters.

Supplemental Material

Supplemental_Material - Supplemental material for Reading the Fine Print: Issue Advertisements and the Persuasive Effects of Campaign Finance Disclosures

Supplemental material, Supplemental_Material for Reading the Fine Print: Issue Advertisements and the Persuasive Effects of Campaign Finance Disclosures by Matthew Lesenyie in American Politics Research

Notes

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