Campaign finance is such an important issue in the United States because it is seen as an undermining Democracy. Proponents argue that our representatives are supposed to be representing all of us, not just the few that can afford to support their campaigns with large donations, and so those of us without deep pockets get less real influence. Those in favor of the current system argue that spending one’s money is simply another form of free speech, ad that candidates are not beholden to their contributors in practice. However, despite its importance, the media often focuses on the polarization of the issue and fails to provide quantitative data that might actually lead to discourse for a compromise, or settle the issue. Not only is this non-productive, but it makes it much more difficult for the average American to get their hands on cold, hard, facts. Furthermore, data sources are disparate, and in some cases, intentionally opaque.

With all of this in mind, we set out to find that data and get those facts. Questions that we hoped to answer included: How much influence does campaign financing really have over the outcome of elections? Can it be quantified? Can we see the “favors” resulting from contributing to a candidate materializing as gains after their election? Do any or all of these questions vary by political party?

Our primary data source became Open Secrets, a research group whose mission statement includes tracking money in U.S. politics. From Open Secrets we were able to obtain data covering the funding of elections every two years from 2004 to 2014. In particular, we were able to obtain contributions by industry (as long as they were large enough to be required to be reported to the government) for every year-election-candidate combination. For election results information, we gathered federal filings to the Federal Election Committee (FEC) for 2004-2012. The 2014 results were unavailable, so they were obtained from the New York Times Election Tracking website. Finally, industry stock data was collected from Yahoo Finance via Quandl, with an eye towards tracking industry performance across elections.

For the majority of the analyses below, we do not use the full dataset constructed from the sources above, but instead use a more limited data set of what we would call “typical” candidates. To give some examples of the “a-typical” candidates that were removed: 1) Uncontested candidates, since without an opponent there would not be as much pressure to fund raise, therefore they would be a distinct group from the majority in funding practices. 2) Candidates that ran but received a very small percentage of votes (there are candidates that ran but received only 5 votes, such as write-ins). 3) Clear outlier candidates with such a vast percentage of funding in their race as to eschew a typical funding distribution.