

Pivotal power brokers: Theory and evidence on political fundraising

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Abstract. This study examines the campaign fundraising success of Senate incumbents that have a unique, pivotal status (legislatively) in the Senate with regards to parliamentary procedures (e.g., the filibuster). Regression estimates place the fundraising advantage, in favor of certain pivotal moderates over all other Senators, at about \$2.12 million (in real terms) in total contribution per 2-yr election cycle. Pivotal status is even more significant in explaining variations in PAC contribution in the U.S. Senate, given that individuals who make contributions are not likely to be as interested as PACs in 'buying policy.' The results also suggest that Krehbiel's *Pivotal Politics* (Krehbiel, K. (1988). *Pivotal Politics: A Theory of U.S. lawmaking*. Chicago, IL: University of Chicago press.) construct warrants modification, given that it offers prediction about policy outcomes and gridlock intervals *without* fully incorporating interest group politics of the 'vote-buying' or 'policy-buying' variety.

One question, among the many raised in recent weeks, had to do with whether my financial support in any way influenced several political figures to take up my cause. I want to say in the most forceful way I can: I certainly hope so. —Charles H. Keating, Jr. (Adams, 1990, p. 254)

Introduction and Background

A growing body of published literature examines the role that political action committees (PACs) play in the political process. One interesting, and fairly recent, strand of work suggests that PACs are more likely to provide financial support to legislators whose constituencies can be described as politically moderate (see Dempster & Westley, 2000; Stratmann, 1992). The notion that PACs favor political moderates is neatly summarized in Dempster and Westley (2000, pp. 321–322):

Stratmann suggests that this behavior [PACs' support of moderates] is perfectly rational since the votes of legislators from moderate constituencies may be bought, while those of legislators representing more ideological constituents are fairly certain. If Stratmann is correct in regard to specific PAC interests [i.e., agriculture], then it may follow that PACs will tend to contribute to moderate candidates in general.

(2) counterparts. The PIVOTQ parameter estimate is positive and significant in versions (3) and (4). In both cases it is quite large, ranging from \$1.867 to \$1.904 million. These results suggest that Senators in the *pivotal quartile* generate \$1.9 million more in campaign funds per 2-yr election cycle than their other colleagues, *ceteris paribus*. Given that interaction terms are included in these regressions, the PIVOTQ parameter estimate is a measure of the *constant effect*, or the difference in the intercepts of the campaign contributions functions for pivotal and nonpivotal Senators. The remaining results for versions (3) and (4) are similar to their versions (1) and (2) counterparts. Parameter estimates for DIST1, DIST2, RUNNEXT, and POP are all quite stable when moving from the unrestricted versions (1) and (2) to the restricted Equations (3) and (4).

Previous research has found that institutional positions are important for the distribution of power in the Senate, including majority-party status, seniority, and party leadership status (Cox & Magar, 1999). As a test of the 'institutional positions' hypothesis, versions (5) and (6) employ the dummy variable LEADERS, equal to one for Senators holding leadership positions (from each party), and zero otherwise.¹² We maintain the earlier variable restrictions detailed in versions (3) and (4), and expect LEADERS to be positively related to RCONT. These versions are jointly significant and pass an *F*-test for the variables restrictions (i.e., omission of TENURE, PARTY and RPCY). Both versions produce large parameter estimates for PIVOTQ, ranging in size from \$2.068 to \$2.119 million. These estimates are also statistically significant. Results for the remaining regressors are consistent with the previous versions, while LEADERS is positive though insignificant in each case.

In one sense, the general moderateness hypothesis of Dempster and Westley (2000) and the pivotal politics model of campaign contributions developed and tested here are observationally equivalent. As Figures 1 and 2 indicate, the pivotal quartile is a moderate quartile, whether it is coded as the second or third quartile from the left. To compare our results with those from a general moderateness model, we reran versions (3) through (6), from Table 2, after substituting the variable CENTER for PIVOTQ. CENTER is coded dichotomously as one for observations on Senators in either of the two center quartiles, and zero otherwise (i.e., and zero for the two extreme quartiles), and this is a more general measure of moderateness. CENTER is also interacted with the other regressors in the four aforementioned regression specifications from Table 2 in order to obtain information on the *constant effect*. In the reestimates of versions (3) through (6), the CENTER parameter ranges from \$.225 to \$.574 million and in each case is smaller than the PIVOTQ estimate.¹³ The difference between PIVOTQ and CENTER ranges in significance from .129 to .104 level. These results provide support for the pivotal politics model presented here.

11. That is, the PIVOTQ dummy taken alone, as in Equation (1), provides evidence on what is referred to in gender/racial discrimination studies in the labor economics literature as the *total effect* (see Blinder, 1973; Jackson & Lindley, 1989).
12. LEADERS is equal to one for the Majority (Minority) Leader, Assistant Majority (Minority) Leader, Conference Chair, Conference Vice-Chair (Secretary), and Chief Deputy Whip (see Congressional Quarterly, Inc.). A test of other aspects of the 'institutional positions' hypothesis is confounded by collinearity between a majority-party dummy variable and our political party dummy variable (given the time period under study), and between a seniority measure and our TENURE variable.
13. None of these estimates is statistically significant, unlike the estimates for PIVOTQ in Table 2.
14. We are grateful to an anonymous referee for suggesting this avenue of empirical investigation.
15. Aggregate PAC contributions data are available from the CRP in aggregate form over 6-yr cycles, with the most recent time frame being 1997–2002. Therefore, our analysis was restricted to the 100 Senate observations from the 107th Congress.
16. POP and RPCY come from the 2002 portion of the full data set.
17. The aggregate nature of RPAC precludes use of DIST1, DIST2 and other variables found in the previous models using disaggregated data.
18. PLEDGE is omitted from the specifications employing RIND as the dependent variable.
19. The complete results of these alternative models are not presented here for brevity. The parameter estimates for NUMBPIVQ in these versions are 138,362 and 98,290, respectively. The accompanying *t*-values are .15 and .11, respectively.
20. We are grateful to an anonymous referee for helping us shape these ideas.

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