

## *Why Do Some Firms Give? Why Do Some Give a Lot?: High-Tech PACs, 1977–1996*

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This article employs Heckman selection models to explore the determinants of corporate PAC formation and PAC size and how these determinants have changed over time. While the findings suggest that high-tech firms use PACs to seek rents from government, internal organizational politics influence their behavior as well. I also find that the effect of some independent variables, including firm size, susceptibility to regulation, and R&D spending, changed significantly over the two-decade span encompassed in the data, peaking in influence in the mid-1980s. The quantitative analysis is supplemented by interview data that point to the existence of a political "arms control" process among some market competitors.

Political scientists have produced a large body of work in recent years examining the link between campaign contributors and candidates. Our understanding of the goods exchanged in transactions between donors and recipients, and how they are priced, has grown substantially as a result.<sup>1</sup> While fruitful, our focus on these transactions has led us to take the underlying supply function of contributors for granted. In particular, corporations, which sponsor about 40% of political action committees (PACs) and account for about 40% of PAC contributions at the federal level, have been neglected. We still know relatively little about why some businesses choose to give to campaigns and others do not, and, of those that do give, why some give a little and some give a lot. No published papers, for instance, explore these questions using data from the 1990s. Just a handful use any data from after 1982, when the current system was still in its infancy. McKeown (1994) alone considers whether the forces that shape

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<sup>1</sup>A recent article in this tradition, which references some of the relevant literature, is Cox and Magar (1999).

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