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The Impact of Unified Party Government on Campaign Contributions

This article examines the connection between unified party government and campaign contributions. Our central argument is that unified party government confers a substantial, but previously overlooked, fundraising advantage to intra-chamber majority parties. We examined data on corporate campaign contributions to U.S. House incumbents and state legislators in 17 different legislative chambers. We found a strong fundraising benefit accruing to intra-chamber majority status across all of these legislatures, but the benefit is heavily conditioned by the presence of unified or divided government. The results offer important implications for our understanding of the financial balance of power in American politics and for the vast scholarly literature on unified party government.

Why are some politicians more successful than others at raising money? Why do financial donors give generously to some legislators and not to others? When, and why, do members of one political party outraise the opposition party? Previous answers to these important questions have emphasized the legislator's electoral status, ideological compatibility with donors, and institutional clout. In this article, we argue that a core feature of the United States political structure is critically absent from consideration in the previous research: the separation-of-powers system. Past studies of campaign contributions have focused almost exclusively on allocation patterns within single legislative chambers.[1] But isolated legislative chambers do not make laws unilaterally. Creating law requires the concurrent assent of a bicameral legislature and a veto-wielding executive.

This fundamental aspect of U.S. politics has vital, but previously overlooked, implications for explanations regarding the financial balance of power between the two major parties. If donors care about influencing the direction of public policy and strategically weigh the productivity include electoral safety, expertise in a subject area, and clout in the policymaking process. In the clout category, committee chairs, members of committees that oversee the policy area of concern to the interest groups, and leadership positions all generate increased productivity (Denzau and Munger 1986; Hall and Wayman 1990).

Another institutional asset that may boost a legislator's productivity is majority party status. The majority party maintains a greater number of slots on committees, chairs the committees, and wields crucial procedural privileges at the floor stage of the legislative process (Aldrich and Rohde 2001; Cox and McCubbins 2005). Thus, all else being equal, the marginal rate at which a unit of effort turns into legislative output should be greater for members of the majority.

> Even among equally committed allies, some legislators are more efficient in producing progress toward a common goal than others. . . . Majority party leaders, likewise, have procedural prerogatives involving floor scheduling and the appointment of conferees, such that they might accelerate, delay, or kill legislation with relatively little effort. In a highly partisan chamber, majority party membership alone should render a member more efficient. (Hall and Deardorff 2006, 77)

From a strategic donor's perspective, contributing to majority members should be a more efficient deployment of resources than spending on equally situated minority members.

This theoretical conjecture has received persuasive empirical support in recent studies of the U.S. Congress (Ansolabehere and Snyder 2000; Cox and Magar 1999; Rudolph 1999). Examining the aftermath of the 1994 Republican takeover of Congress, these studies have found that PACs disproportionately shifted their contributions to members of the new majority party. Rudolph (1999) used a pooled time-series approach to determine that per-member Republican receipts from business interests increased by $17,450. Similarly, Cox and Magar (1999), who focused on returning members, found that House Republicans gained, on average, $34,516 in new receipts from corporate and trade PACs. For House Democrats, the financial hit was considerable: the switch cost them nearly 18% of their overall receipts.

Where, then, does the separation-of-powers system fit into this analysis? There is good reason to suspect that unified or divided partisan control of government might affect the advantage of majority status within an individual chamber. In periods of divided government, the opposition still occupies an organizationally strategic position to block legislation it deems unfavorable. Under unified government, the probability that one of the other branches will vote against or "veto" a particular bill should decline. This reasoning does not assume that a

unified majority party operates unchecked. Rather, the procedural advantages provided to the majority are thought to increase the likelihood of majority-sponsored bills receiving favorable treatment and bills disliked by the majority being kept off the agenda (Cox and McCubbins 2005).

Putting theories of campaign donor behavior together with the potential policy effect of unified government leads to our central expectation. If interest groups direct their donations according to the productivity of a legislator and unified government enhances productivity, then the financial advantages accruing to majority status should be even greater during periods of unified party control of government. In other words, unified government should fully open the financial spigot for the majority party.

A key assumption of our argument is that donors perceive a difference between unified and divided party control. The difference between the two regimes is, however, the source of considerable debate among political scientists. Mayhew (1991), most notably, has argued that just as many important programs get passed during divided government as during periods of unified government. Building on Mayhew's empirical findings, both Krehbiel (1998) and Brady and Volden (2006) have emphasized how the supermajority hurdles present in the Senate filibuster and constitutional veto provisions may blunt the legislative capacity of a unified majority party. Yet other scholars (see, for example, Binder 2003 and Coleman 1999) have found substantive differences in legislative outcomes across unified and divided regimes, specifically in policy areas that include the primary financial decisions of the federal government, such as budget outlays (see McCubbins 1991) and tax policy (Cox and McCubbins 1991). Similar patterns have been discerned in earlier eras of U.S. politics (Stewart 1991) and in the state legislatures (Alt and Lowry 1994). Analyzing patterns of campaign donations before and after changes in party government can help shed light on this debate. To the extent that campaign donors are astute observers of, and rational participants in, the lawmaking process, their behavior can tell us how much they value unified party government.

Campaign Contributions in the U.S. House of Representatives

Our research design allowed us to examine changes in receipts to individual legislators across sequential electoral cycles (Cox and Magar 1999; Romer and Snyder 1994; Stratman 2000). The benefit of looking at temporal changes is that any time-invariant characteristics of a member or that member's constituency can be held constant. Thus, one can hold constant any time-invariant individual characteristics while

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