

# Campaign Contribution Limits and Corruption: Evidence from the U.S. States

## Motivation

Meet Jim Bopp, policy entrepreneur of *Citizens United v. FEC* fame:



## Question

Is there a link between campaign contributions and quid pro quo corruption?

**The history:** Existing research hasn't been able to offer a good answer, because there isn't anything to compare the federal government to.

**Why it matters:** If the answer is no, Jim Bopp may convince the Supreme Court to strike down *all* campaign contribution limits.

**How this works:** I compiled a **new dataset** from three sources:

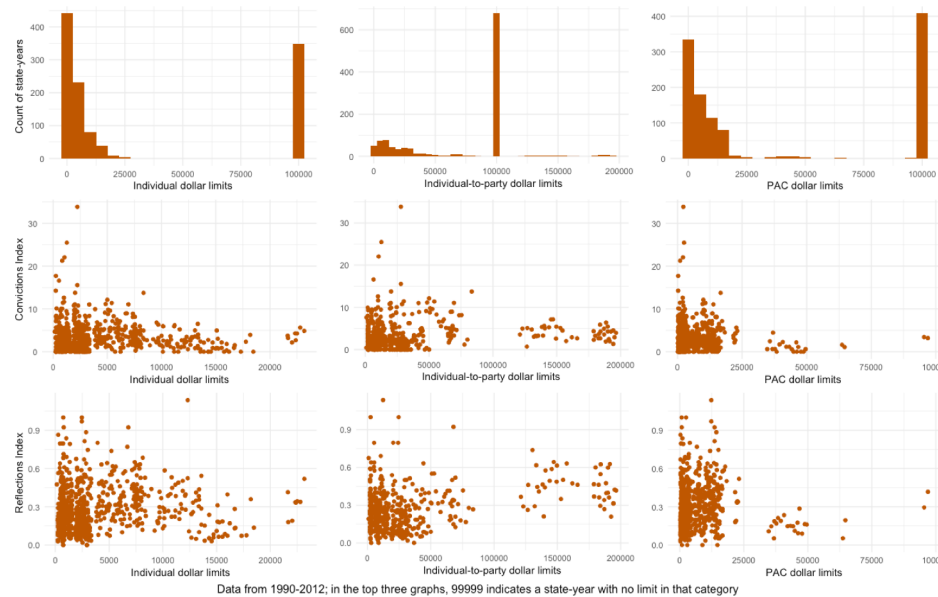
- Michael Barber's 2016 dataset on state-level contribution limits and political polarization from 1990-2012.
- The Corruptions Convictions Index (CCI), built from Department of Justice corruption convictions data.
- The Corruptions Reflection Index, a measure by Dincer and Johnston (2016) of AP news articles on state-level corruption.

## Acknowledgments

A big thanks to UT Government Department's **Brian Roberts**; this paper emerged fitfully from his Money in Politics class. Thanks also to #rstats coach Matt Worthington and to Michael Barber and the Institute for Corruption Studies for sharing data.

## Data

There are three different types of campaign limits: Individual-to-campaign, individual-to-party, and PAC-to-campaign. The top three plots below ask **how frequently do states impose different limits?** The bottom six charts plot **different types of campaign limits against corruption convictions and media mentions** ("reflections"), correlations for which are in the Results section



## Selected Literature

- Ansolabehere, Stephen, John M de Figueiredo, and James M Snyder Jr. 2003. "Why is there so Little Money in US Politics?" *Journal of Economic Perspectives*. 17(1): 105-130.
- Barber, Michael J. "Ideological Donors, Contribution Limits, and the Polarization of American Legislatures." *The Journal of Politics* 78.1 (2016): 296-310.
- Cordis, A., & Miyo, J. (2013). Do state campaign finance reforms reduce public corruption?. George Mason University, Mercatus Center, Working Paper, (13-09).
- Dincer, O., & Johnston, M. (2016). Political Culture and Corruption Issues in State Politics: A New Measure of Corruption Issues and a Test of Relationships to Political Culture. *Publius: The Journal of Federalism*, 47(1), 131-148.
- Persily, N., & Lammie, K. (2004). Perceptions of corruption and campaign finance: When public opinion determines constitutional law. *University of Pennsylvania Law Review*, 119-180.

## Results

Are state campaign contribution limits and corruption correlated? Not at first glance:

	Corruption Convictions Index			Corruption Reflections Index		
	(1)	(2)	(3)	(4)	(5)	(6)
Individual limit amounts	-0.00004 (0.00005)	-0.00003 (0.0001)	-0.00000 (0.0000)	-0.00000 (0.0000)	-0.00000 (0.0000)	-0.00000 (0.0000)
Individual limits (dummy)	-4.021 (4.572)	-2.989 (3.676)	-0.316 (0.227)	-0.00000 (0.0000)	-0.328 (0.284)	-0.00000 (0.0000)
Individual-to-party limit amount	-0.00000 (0.00001)	0.00000 (0.00001)	-0.00000 (0.0000)	-0.00000 (0.0000)	-0.00000 (0.0000)	-0.00000 (0.0000)
Individual-to-party limits (dummy)	-0.019 (0.026)	0.363 (0.484)	-0.087** (0.035)	-0.094*** (0.038)	-0.094*** (0.038)	-0.094*** (0.038)
PAC limit amounts	-0.00002 (0.00002)	-0.00002 (0.00002)	0.00000 (0.0000)	0.00000 (0.0000)	0.00000 (0.0000)	0.00000 (0.0000)
PAC limits (dummy)	-1.762 (1.519)	-1.339 (1.742)	0.009 (0.045)	0.009 (0.045)	0.009 (0.045)	0.009 (0.045)
Observations	1,149	1,149	1,149	1,120	1,120	1,120
R <sup>2</sup>	0.002	0.00002	0.002	0.002	0.007	0.001
Adjusted R <sup>2</sup>	-0.006	-0.008	-0.006	-0.006	-0.006	-0.008
F Statistic	0.626 (df = 2, 1075)	0.012 (df = 2, 1075)	0.843 (df = 2, 1075)	0.426 (df = 2, 1076)	3.937*** (df = 2, 1076)	1.856 (df = 2, 1072)

Note: \*p<0.1, \*\*p<0.05, \*\*\*p<0.01

## Conclusions

The only correlation here is between the presence or absence of limits on individual campaign donations to political parties and corruption reflections (media mentions).

There is **no correlation** between other types of campaign contribution limits and corruption, as measured either by media reports or DOJ arrests.

**But, but, but:** We can't claim "no correlation" yet—claiming a null result means we have some stones yet to turn.

**What this means:** Nothing yet, but campaign finance reform types ought to be nervous.

**Also:** This pattern of non-correlations might suggest that Dincer and Johnston's Corruption Reflections Index merits further development.

## Next Steps

Find and reproduce existing models of state-level political corruption, adding in these state-level campaign finance limit variables, to control for omitted variables.

Transform this time series data into a difference-in-difference model to see the effect of state-level policy change.

Determine how to control for variable enforcement in different states.

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