

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

Motivation

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

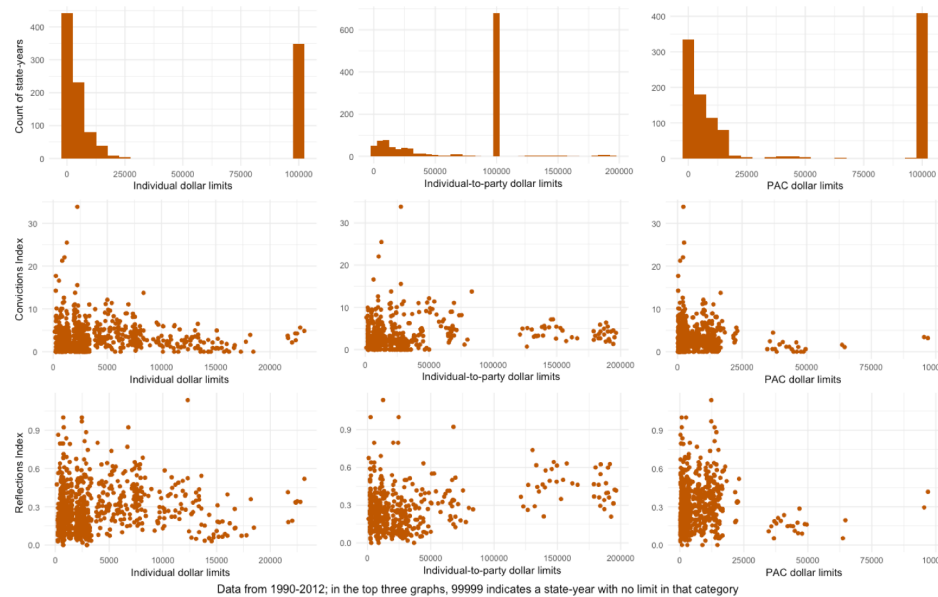
- Michael Barber's 2016 dataset on state-level contribution limits and political polarization from 1990-2012.
- The Corruptions Convictions Index (CCI), built from Department of Justice corruption convictions data.
- The Corruptions Reflection Index, a measure by Dincer and Johnston (2016) of AP news 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, and his refusal to allow students to exit believing all of the same things they entered believing.

Data

There are three different types of campaign limits: Individual-to-campaign, individual-to-party, and PAC-to-campaign. The top three plots below asks **how frequently do states impose these 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 campaign contribution limits and corruption correlated? Not at first glance:

	Corruption Convictions Index				Corruption Reflections Index			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Individual limit arrests	-0.00004				-0.00003			-0.00000
	(0.00005)				(0.00001)			(0.00000)
Individual limits (dummy)	-4.051				-2.968			-6.338
	(4.372)				(5.076)			(6.284)
Individual no party limit arrests	-0.00000				0.00000			-0.00000
	(0.00001)				(0.00001)			(0.00000)
Individual no party limits (dummy)	-0.019				0.363			-0.099***
	(0.026)				(0.046)			(0.030)
PAC limit arrests	-0.00002				-0.00002			0.00000
	(0.00002)				(0.00002)			(0.00000)
PAC limits (dummy)	-1.262				-1.339			0.009
	(1.519)				(1.743)			(0.085)
Observations	1,148	1,148	1,148	1,148	1,150	1,150	1,150	1,150
R ²	0.002	0.00002	0.002	0.002	0.002	0.007	0.001	0.010
Adjusted R ²	-0.066	-0.068	-0.066	-0.069	-0.066	-0.060	-0.068	-0.061
F Statistic	0.020 (df=	0.012 (df=	0.043 (df=	0.028 (df=	0.042 (df=	0.077 (df=	0.037 (df=	0.087 (df=
	2, 1075)	2, 1075)	2, 1075)	6, 1071)	2, 1076)	2, 1076)	2, 1076)	6, 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.

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

Next Steps

Find and reproduce existing models of state-level political corruption, adding in these state-level campaign finance limit 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.

Mark Clayton Hand

mark.hand@utexas.edu • @markchand • markclaytonhand.com