

# 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:

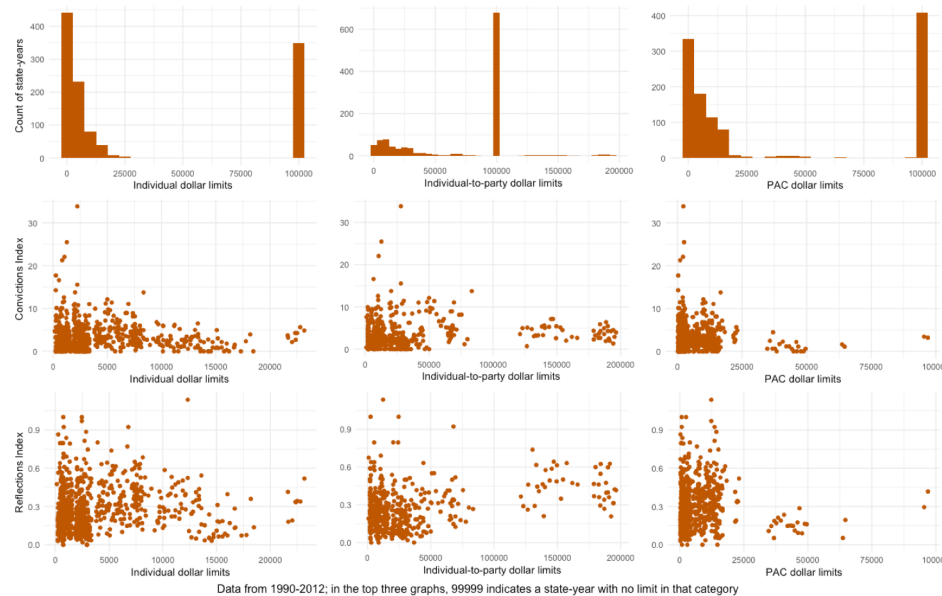
- Michael Barber's 2016 dataset on state-level contribution limits and political polarization from 1990-2012.
- The Corruptions Convictions Index (CCI), built from Department of Justice corruption convictions data.
- The Corruptions Reflection Index, a measure by Dincer and Johnston (2016) of AP news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

	Dependent variable:					
	Corruption Convictions Index			Corruption Reflections Index		
	(1)	(2)	(3)	(4)	(5)	(6)
Individual limit amounts	-0.00004	-0.00003	-0.00000	-0.00000	-0.00000	-0.00000
	(0.00001)	(0.00001)	(0.00001)	(0.00000)	(0.00000)	(0.00000)
Individual limits (dummy)	-4.021	-2.989	-6.316	-0.328	-0.328	-0.328
	(4.572)	(5.076)	(5.257)	(0.284)	(0.284)	(0.284)
Individual-to-party limit amounts	-0.00000	0.00000	-0.00000	-0.00000	-0.00000	-0.00000
	(0.00001)	(0.00001)	(0.00001)	(0.00000)	(0.00000)	(0.00000)
Individual-to-party limits (dummy)	-0.019	0.343	2.097**	-0.097**	-0.097**	-0.097**
	(0.026)	(0.484)	(0.035)	(0.038)	(0.038)	(0.038)
PAC limit amounts	-0.00002	-0.00002	0.00000	0.00000	0.00000	0.00000
	(0.00002)	(0.00002)	(0.00000)	(0.00000)	(0.00000)	(0.00000)
PAC limits (dummy)	-1.762	-1.339	0.009	0.009	0.006	0.006
	(1.519)	(1.743)	(0.085)	(0.085)	(0.085)	(0.085)
Observations	1,349	1,349	1,349	1,350	1,350	1,350
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	-0.004	-0.001
F Statistic	0.020 (df = 0.02, 1347)	0.002 (df = 0.00, 1346)	0.020 (df = 0.02, 1347)	0.007 (df = 0.01, 1348)	0.007 (df = 0.01, 1348)	0.001 (df = 0.00, 1347)
	2.1075	2.1075	2.1075	2.1076	2.1076	2.1076

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