

# **The campaign finance career of the small-dollar Democratic donor**

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Nick Judd (ncj@uchicago.edu)

April 7, 2019

# Small-dollar donors are having a moment


**Roll Call** Home Congress Campaigns White House Heard on the Hill Policy


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## Small-dollar donors could hold the balance in 2020

Concerns about money in politics are empowering individual voters

Posted Mar 15, 2019 5:05 AM

 Kate Ackley  
@kackleyZ



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POLITICS

## Small Donors Hold The Key To Campaign Buzz And The Democrats' Debate Stage

March 23, 2019 - 7:01 AM ET

 PETER OVERBY

**The Washington Post**  
Democracy Dies in Darkness

Politics

## Candidates reach for the ticket to Democratic debates: 65,000 donors



Sen. Bernie Sanders, appearing at a campaign stop in Concord, N.H., raised about \$6 million in the first day of the 2020 presidential campaign, which was evidence that he has maintained strong grassroots support.

Steven Senne/AP

# Maybe a longer “moment” than many think

HOME / NEWS / NATION

The Boston Globe

## In a shift, Obama rejects public funding

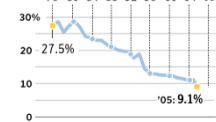
### Public financing per candidate

Amount for major party candidates from income tax check-offs since the start of the public-financing system:



### Paying for campaigns

Participation in the income tax check-off that funds public financing for presidential candidates:



### Funding sources

Where money came from in 2004 presidential race:



\* Advocacy groups that can accept unlimited donations and are known by the section of the federal tax code that loosely regulates them.

SOURCES: Federal Election Commission, Center for Responsive Politics

DAVID SCHUTZ/GLOBE STAFF

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By Brian C. Mooney  
Globe Staff / June 20, 2008

Barack Obama rejected public funding for the fall presidential campaign yesterday, a dramatic blow to 1970s good-government reform that has been overwhelmed by an explosion of private money.

# Maybe a *much* longer “moment”

CHATTERBOX

## McCain's Online Gold Rush

FEB 02, 2000 • 1:22 PM

*[Update, 2/2/00, 1:50 p.m.: Now the total McCain has raised online since yesterday is \$330,000.]*

*[Update, 2/2/00, 2:30 p.m.: Now it's \$352,000.]*

*[Update, 2/2/00, 5 p.m.: Now it's \$415,000.]*

*[Update, 2/3/00, 1:45 p.m.: Now it's \$741,000.]*

*[Update, 2/3/00, 3:30 p.m.: Now it's \$815,000.]*


*[Update, 2/3/00, 7 p.m.: Now it's **\$1 million!** And with that, Chatterbox will stop counting.]*

If you're having trouble logging on to [John McCain's Web site](#) today, that's because it's being inundated with hits in the aftermath of his New Hampshire victory. McCain Internet manager Max Fose told Chatterbox at 12:30 p.m. Wednesday that "since John McCain won in New Hampshire we have raised \$284,960 online." That brings McCain to a total of about \$1.81 million in cash on hand (up from \$1.53 million yesterday), and of course that doesn't include whatever McCain's managed to raise today *offline*. Judging from an article about McCain's Internet fund raising by Glenn Simpson in today's *Wall Street Journal*, the \$284,960 figure is more than twice what Bush has been raising daily from all sources, though Bush has a lot more cash on hand (\$32.7 million, to be precise). It's also about 28 times what McCain was raising daily online before the New Hampshire primary.

According to a Republican fund-raising consultant quoted in the *Journal*, historically a candidate has needed two or three months to cash in on a New Hampshire victory. The Internet seems to have shortened that cycle.

# But little attention from the academy

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small-dollar donors

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In a campaign finance literature devoted to the disproportionate influence and unrepresentative views of elite donors, we know relatively little about an increasingly relevant category of political actor. Which leads to two questions:

1. Do small-dollar donors come from different social context than large-dollar donors?
2. Do small-dollar donors have a persistent voice in party politics, the way large-dollar donors do?

## The short answer

1. Small-dollar donors come from less affluent social settings.



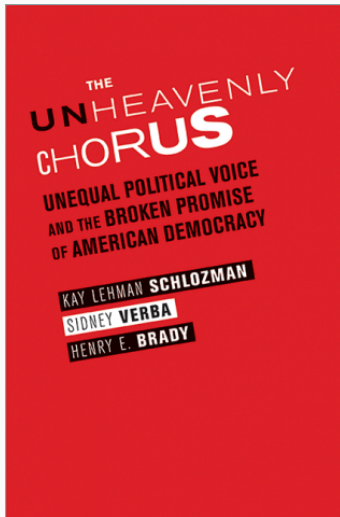
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1. Small-dollar donors come from less affluent social settings.
2. This is a difference in degree, not kind.
3. The surprise is that small-dollar donors are *more persistent* participants in politics.

**Why care?**



**How can we know?**

## More backstory





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## **The fine print we're willing to shout from the rooftops:**

ActBlue acts as a conduit federally and in most states, which means we provide the infrastructure for campaigns and organizations to fundraise online, but we don't fundraise on behalf of anyone. Unlike groups that spend large sums of cash from undisclosed sources, ActBlue offers grassroots donors a way to give fully disclosed donations to the candidates and causes they choose.

# More backstory

ActBlue

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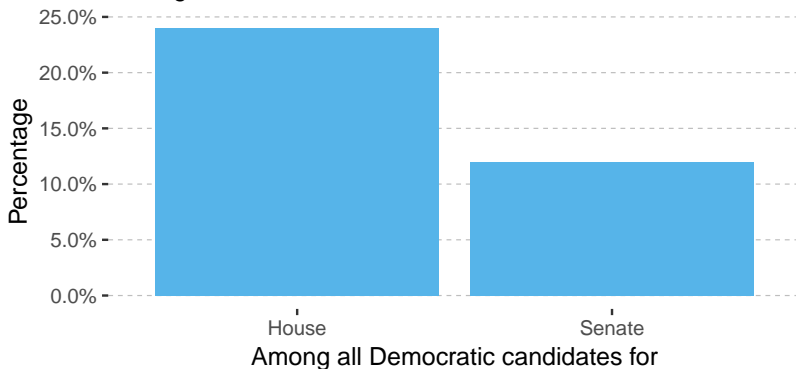
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THANKS!!



## What this means

ActBlue donations as % of all small-dollar donations  
Among Democratic candidates, 2012



Source: Malbin (2013)

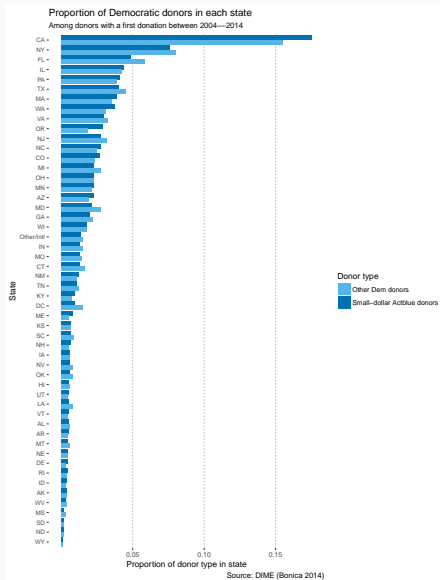
**(This is a growing subpopulation, and probably not a representative sample).**

- 2.3 million Democratic donors who supported federal Democratic candidates and causes between 2004–2014
- Nearly 700,000 donors who used ActBlue
- Already processed data from the Federal Election Commission in the Database on Ideology, Money in Politics and Elections (Bonica 2014)

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- **Thanks, Adam!!**

## **Differences in political geography**

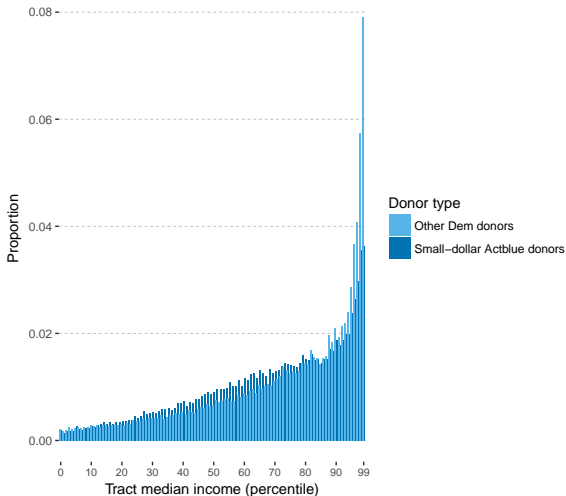
# Distribution of donors over states



# Political geography, affluence, and giving

## Distribution of donors over tracts by tract median income

Among donors with a first recorded donation between 2004–2014

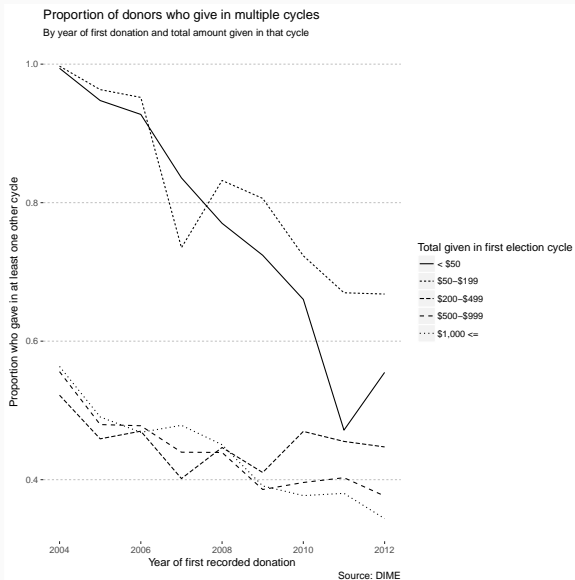


Source: DIME, NHGIS

## **Differences in behavior**



# "Durability," 2004-2012

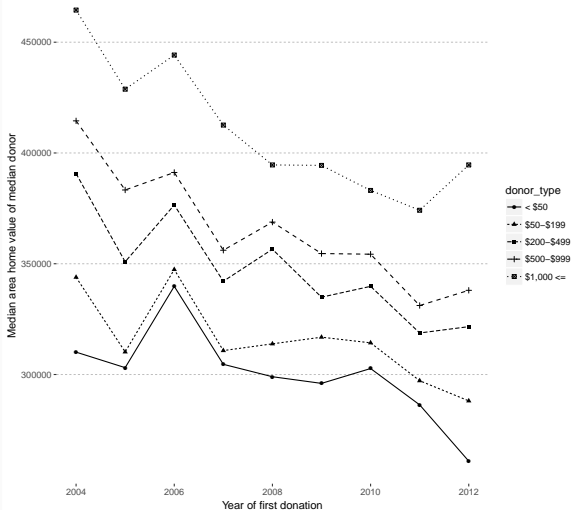


## **Social context and repeat giving**

# Diversifying cohorts of durable donors: Area median income

Median home value among donor cohorts, 2004–2014

Among Democratic donors, by total donations in first year and year of first donation

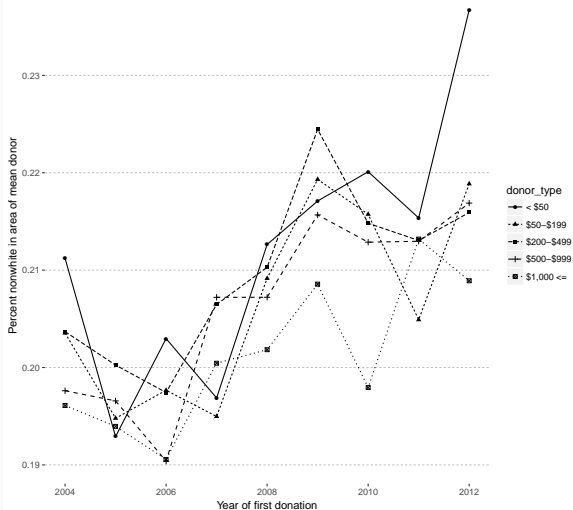


Source: NHGIS, DIME

# Diversifying cohorts of durable donors: Area % nonwhite

Mean percent nonwhite in Census tract by donor cohort, 2004–2014

Among Democratic donors, by total donations in first year and year of first donation



Source: NHGIS, DIME

# Conclusions

1. Democratic Party's basis of *financial* support is diversifying.

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2. That diversification is accelerating thanks to the rise of small donors.

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2. That diversification is accelerating thanks to the rise of small donors.
3. Those donors stick around.



# Implications

The big “finding” in campaign finance is that money “doesn’t buy” policy (Ansolabehere et al 2003, Fowler, n.d., but see for e.g. Powell and Grimmer 2016).

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Does the persistent voice of these non-elites, as exercised in campaign finance, explain the party’s leftward swing?

## Next steps

## Next steps

???

# Thank you!

See my other projects at <https://nickjudd.com>

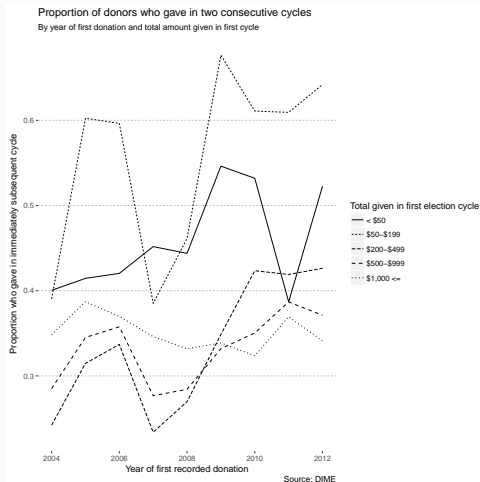
Clone my repo at <https://github.com/nclarkjudd>

Follow @nclarkjudd for bad social science jokes



## **Bonus #content**

# Giving in two consecutive elections, by election year



# Giving in consecutive presidential elections, 2004–2012

