Campaign finance in the United States

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• Although most campaign spending is privately financed, public financing is available for qualifying candidates for President of the United States during both the primaries and the general election.

• Campaign finance in the United States is the financing of electoral campaigns at the federal, state, and local levels.

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Campaign finance in the United States is the financing of electoral campaigns at the federal, state, and local levels. At the federal level, campaign finance law is enacted by Congress and enforced by the Federal Election Commission (FEC), an independent federal agency. Although most campaign spending is privately financed, public financing is available for qualifying candidates for President of the United States during both the primaries and the general election. Eligibility requirements must be fulfilled to qualify for a government subsidy, and those that do accept government funding are usually subject to spending limits on money.

Races for non-federal offices are governed by state and local law. Over half the states allow some level of corporate and union contributions. As of 2010[update], some states have limits on contributions from individuals that are lower than the national limits, while four states (Missouri, Oregon, Utah and Virginia) have no limits at all. This article deals primarily with campaigns for federal office.

Campaign Finance Numbers

• In the 2010 midterm election cycle, candidates for office, political parties, and independent groups spent a total of $3.6 billion on federal elections.

• In 2008, candidates for office, political parties, and independent groups spent a total of $5.3 billion on federal elections.

•

Presidential election campaign funding per candidate 2016 presidential election main party candidates (Hundred million dollars):

In 2008, candidates for office, political parties, and independent groups spent a total of $5.3 billion on federal elections. The amount spent on the presidential race alone was $2.4 billion, and over $1 billion of that was spent by the campaigns of the two major candidates: Barack Obama spent $730 million in his election campaign, and John McCain spent $333 million. The total amount spent by Obama and McCain was a record at the time.

In the 2010 midterm election cycle, candidates for office, political parties, and independent groups spent a total of $3.6 billion on federal elections. The average winner of a seat in the House of Representatives spent $1.4 million on his or her campaign. The average winner of a Senate seat spent $9.8 million.

The money for campaigns for federal office comes from four broad categories of sources: (1) small individual contributors (individuals who contribute $200 or less), (2) large individual contributors (individuals who contribute more than $200), (3) political action committees, and (4) self-financing (the candidate's own money). In the 2010 Congressional races, the sources of campaign contributions broke down as follows: c/o 2k18

Presidential election campaign funding per candidate 2016 presidential election main party candidates (Hundred million dollars):

Sources of Campaign Funding

Federal Contribution Limits

• Federal law does not allow Corporations and labor unions to donate money directly to candidates ("hard money") or national party committees.

• It also limits how much money (a) individuals and (b) organizations involved in political action may contribute to political campaigns, political parties, and other FEC-regulated organizations.

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Table footnotes

Bundling

• During the 2008 campaign the six leading primary candidates (three Democratic, three Republican) had listed a total of nearly two thousand bundlers.

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One consequence of the limitation upon personal contributions from any one individual is that campaigns seek out "bundlers"—people who can gather contributions from many individuals in an organization or community and present the sum to the campaign. Campaigns often recognize these bundlers with honorary titles and, in some cases, exclusive events featuring the candidate.

Although bundling existed in various forms since the enactment of the FECA, bundling became organized in a more structured way in the 2000s, spearheaded by the "Bush Pioneers" for George W. Bush's 2000 and 2004 presidential campaigns. During the 2008 campaign the six leading primary candidates (three Democratic, three Republican) had listed a total of nearly two thousand bundlers.

Advocacy Groups/Interest Groups

• Many lobbyists become campaign treasurers and fundraisers for congresspersons.

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'Hard' and 'Soft' Money

• It "derives from a major loophole in federal campaign financing and spending law that exempts from regulation those contributions made for party building in general rather than for specific candidates".

• Contributions made directly to a specific candidate are called hard money and those made to parties and committees are called soft money.

Contributions made directly to a specific candidate are called hard money and those made to parties and committees are called soft money. Soft money constitutes an alternative form of financing campaigns that emerged in the last years. It "derives from a major loophole in federal campaign financing and spending law that exempts from regulation those contributions made for party building in general rather than for specific candidates". There are no limits on soft money and some examples are donations for stickers, posters, and television and radio spots supporting a particular party platform or idea but not a concrete candidate. For the amounts of soft money contributed in recent years and the legislation that enabled this, see the section on the Bipartisan Campaign Reform Act.

Spending by Outside Organizations/Independent Expenditures

• In addition to donating money to political campaigns (according to the limits described above), these organizations can spend money directly to influence elections.

• Campaign expenditures made by groups not associated with, and independent of, a candidate's campaign are known as "independent expenditures".

Organizations other than individual candidates and their campaigns also contribute to election spending. Campaign expenditures made by groups not associated with, and independent of, a candidate's campaign are known as "independent expenditures". In addition to donating money to political campaigns (according to the limits described above), these organizations can spend money directly to influence elections.

Political action committees

• Connected PACs: The Federal Election Campaign Act prohibits corporations and labor unions from making direct contributions or expenditures in connection with federal elections.

• Leadership PACs: Elected officials and political parties cannot give more than the federal limit directly to candidates.

• Federal law allows for multiple types of political action committees (PACs).

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Connected PACs: The Federal Election Campaign Act prohibits corporations and labor unions from making direct contributions or expenditures in connection with federal elections. These organizations may, however, sponsor a "separate segregated fund" (SSF), known as a "connected PAC". These PACs may receive and raise money only from a "restricted class", generally consisting of managers and shareholders in the case of a corporation and members in the case of a union or other interest group. In exchange, the sponsor of the PAC may absorb all the administrative costs of operating the PAC and soliciting contributions. As of January 2009, there were 1,598 registered corporate PACs, 272 related to labor unions and 995 to trade organizations.

Nonconnected PACs: A nonconnected PAC is financially independent, meaning that it must pay for its own administrative expenses using the contributions it raises. Although an organization may financially support a nonconnected PAC, these expenditures are considered contributions to the PAC and are subject to the dollar limits and other requirements of the Act.

Leadership PACs: Elected officials and political parties cannot give more than the federal limit directly to candidates. However, they can set up a leadership PAC that makes independent expenditures. Provided the expenditure is not coordinated with the other candidate, this type of spending is not limited. Under the FEC rules, leadership PACs are non-connected PACs, and can accept donations from individuals and other PACs. Since current officeholders have an easier time attracting contributions, leadership PACs are a way dominant parties can capture seats from other parties. A leadership PAC sponsored by an elected official cannot use funds to support that official's own campaign. However, it may fund travel, administrative expenses, consultants, polling, and other non-campaign expenses. Between 2008 and 2009, leadership PACs raised and spent more than $47 million.

"Super PACs": The 2010 election marked the rise of a new political committee, dubbed the "super PAC". They are officially known as "independent-expenditure only committees", because they may not make contributions to candidate campaigns or parties, but rather must do any political spending independently of the campaigns. Unlike other PACs, there is no legal limit to the funds they can raise from individuals, corporations, unions and other groups, provided they are operated correctly. As of August 23, 2012, 797 super PACS had raised upwards of $349 million, with 60% of that money coming from just 100 donors, according to the Center for Responsive Politics. Super PACs were made possible by two judicial decisions. First, in January 2010 the U.S. Supreme Court held in Citizens United v. Federal Election Commission that government may not prohibit unions and corporations from making independent expenditure for political purposes. Two months later, in Speechnow.org v. FEC, the Federal Court of Appeals for the D.C. Circuit held that contributions to groups that only make independent expenditures could not be limited in the size and source of contributions to the group. Independent expenditures continue to grow with $17 million spent in 2002 on congressional elections, $52 million in 2006, and $290 million in 2010. In 10 states independent spending amounted to 19% of the total amount of money contributed to candidates between 2005 and 2010. In three of those states independent spending was greater than 25% of the contributions given to candidates.

501(c) organizations

• 501(c)(4) “social welfare”, 501(c)(5) “labor unions”, 501(c)(6) “chambers of commerce” unlike 501(c)(3) charitable organizations can participate in political campaigns and elections, as long as the organization's "primary purpose" is issue advocacy and not political advocacy and are not required to disclose their donors publicly.[31].

• This aspect of the law has led to extensive use of 501(c)(4) organizations in raising and donating money for political activity.

main: 501(c) organization

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527 organizations

• However, in common practice the term is usually applied only to such organizations that are not regulated under state or federal campaign finance laws because they do not "expressly advocate" for the election or defeat of a candidate or party.

• Technically, almost all political committees, including state, local, and federal candidate committees, traditional political action committees, "Super PACs", and political parties are "527s."

A 527 organization or 527 group is a type of American tax-exempt organization named after "Section 527" of the U.S. Internal Revenue Code. Technically, almost all political committees, including state, local, and federal candidate committees, traditional political action committees, "Super PACs", and political parties are "527s." However, in common practice the term is usually applied only to such organizations that are not regulated under state or federal campaign finance laws because they do not "expressly advocate" for the election or defeat of a candidate or party. When operated within the law, there are no upper limits on contributions to 527s and no restrictions on who may contribute. There are no spending limits imposed on these organizations. However, they must register with the IRS, publicly disclose their donors and file periodic reports of contributions and expenditures.

Political parties

• National party committees may also make unlimited "independent expenditures" to support or oppose federal candidates.

• National and state party committees may make additional "coordinated expenditures," subject to limits, to help their nominees in general elections.

• Political party committees may contribute funds directly to candidates, subject to the contribution limits listed above.

Political party committees may contribute funds directly to candidates, subject to the contribution limits listed above. National and state party committees may make additional "coordinated expenditures," subject to limits, to help their nominees in general elections. National party committees may also make unlimited "independent expenditures" to support or oppose federal candidates. However, since 2002, national parties have been prohibited from accepting any funds outside the limits established for elections in the FECA.

Disclosure Rules

• Federal candidate committees must identify, for example, all PACs and party committees that give them contributions, and they must provide the names, occupations, employers and addresses of all individuals who give them more than $200 in an election cycle.

• Current campaign finance law at the federal level requires candidate committees, party committees, and PACs to file periodic reports disclosing the money they raise and spend.

Current campaign finance law at the federal level requires candidate committees, party committees, and PACs to file periodic reports disclosing the money they raise and spend. Federal candidate committees must identify, for example, all PACs and party committees that give them contributions, and they must provide the names, occupations, employers and addresses of all individuals who give them more than $200 in an election cycle. Additionally, they must disclose expenditures to any individual or vendor. The Federal Election Commission maintains this database and publishes the information about campaigns and donors on its website. (Similar reporting requirements exist in many states for state and local candidates and for PACs and party committees.)

Various organizations, including the Center for Responsive Politics, aggregate data on political contributions to provide insight into the influence of various groups. In August 2014, a new smartphone app called "Buypartisan" was released to allow consumers to scan the barcodes of items in grocery stores and see where that corporation and its leaders directed their political contributions.

Attempts to Regulate Campaign Finance

Early Attempts at Regulating Money in Campaigns

Tillman Act of 1907

• An amendment to the Hatch Act of 1939 set an annual ceiling of $3 million for political parties' campaign expenditures and $5,000 for individual campaign contributions.

Named for its sponsor, South Carolina Senator Ben Tillman, the Tillman Act of 1907 prohibited corporations and nationally chartered (interstate) banks from making direct financial contributions to federal candidates. However, weak enforcement mechanisms made the Act ineffective. Disclosure requirements and spending limits for House and Senate candidates followed in 1910 and 1911. General contribution limits were enacted in the Federal Corrupt Practices Act (1925). An amendment to the Hatch Act of 1939 set an annual ceiling of $3 million for political parties' campaign expenditures and $5,000 for individual campaign contributions. The Smith-Connally Act (1943) and Taft-Hartley Act (1947) extended the corporate ban to labor unions.

Federal Election Campaign Act (1971)

• The new regulations included limits on campaign finance, including caps on (1) individual contributions to candidates, (2) contributions to candidates by “political committees” (commonly known as Political Action Committees, or PACs), (3) total campaign expenditures, and (4) independent expenditures by individuals and groups "relative to a clearly identified candidate."

• In 1971, Congress passed the Federal Election Campaign Act (FECA), instituting various campaign finance disclosure requirements for federal candidates (those running for the House, the Senate, the President and the Vice President), political parties, and political action committees.

In 1971, Congress passed the Federal Election Campaign Act (FECA), instituting various campaign finance disclosure requirements for federal candidates (those running for the House, the Senate, the President and the Vice President), political parties, and political action committees. In 1974, Congress passed amendments to the FECA establishing a comprehensive system of regulation and enforcement, including public financing of presidential campaigns and the creation of a central enforcement agency, the Federal Election Commission. The new regulations included limits on campaign finance, including caps on (1) individual contributions to candidates, (2) contributions to candidates by “political committees” (commonly known as Political Action Committees, or PACs), (3) total campaign expenditures, and (4) independent expenditures by individuals and groups "relative to a clearly identified candidate."

Buckley v. Valeo (1976)

• In addition, Buckley also held that the disclosure and reporting requirements of FECA could only apply to expenditures authorized or requested by a candidate or expenditures for communications that “expressly advocate the election or defeat of a clearly identified candidate.”

• In Buckley, the Court upheld the Act's limits on individual contributions, as well as the disclosure and reporting provisions and the public financing scheme.

The constitutionality of the FECA was challenged in the U.S. Supreme Court case Buckley v. Valeo (1976). In Buckley, the Court upheld the Act's limits on individual contributions, as well as the disclosure and reporting provisions and the public financing scheme. The Court held that limitations on donations to candidates were constitutional because of the compelling state interest in preventing corruption or the appearance of corruption. However, the Court also held that caps on the amount campaigns could spend and caps on independent expenditures were an unconstitutional abridgment of free speech under the First Amendment. In addition, Buckley also held that the disclosure and reporting requirements of FECA could only apply to expenditures authorized or requested by a candidate or expenditures for communications that “expressly advocate the election or defeat of a clearly identified candidate.”

Eight Magic Words

• It also showed the limited the reach of campaign finance laws to candidate and party committees, and other committees with a major purpose of electing candidates, or to speech that "expressly advocated" election or defeat of candidates.

It also showed the limited the reach of campaign finance laws to candidate and party committees, and other committees with a major purpose of electing candidates, or to speech that "expressly advocated" election or defeat of candidates. In footnote 52 of that opinion, the Court listed eight words or phrases as illustrative of speech that qualified as "express advocacy". The definition of express advocacy is what created dark money groups.

Bipartisan Campaign Reform Act (2002)

• First, it prohibited national political party committees from soliciting or spending any soft money and prohibited state and local party committees from using soft money for activities that affect federal elections.

• As a result of these rulings, soft money effectively enabled parties and candidates to circumvent FECA's limitations on federal election campaign contributions.

• In 2002, Congress further attempted to reform federal campaign financing with the Bipartisan Campaign Reform Act.

Under FECA, corporations, unions, and individuals could contribute unlimited "nonfederal money"—also known as "soft money"—to political parties for activities intended to influence state or local elections. In a series of advisory opinions between 1977 and 1995, the FEC ruled that political parties could fund "mixed-purpose" activities—including get-out-the-vote drives and generic party advertising—in part with soft money, and that parties could also use soft money to defray the costs of "legislative advocacy media advertisements," even if the ads mentioned the name of a federal candidate, so long as they did not expressly advocate the candidate's election or defeat. Furthermore, in 1996, the Supreme Court decided Colorado Republican Federal Campaign Committee v. FEC, in which the Court ruled that Congress could not restrict the total amount of "independent expenditures" made by a political party without coordination with a candidate, invalidating a FECA provision that restricted how much a political party could spend in connection with a particular candidate. As a result of these rulings, soft money effectively enabled parties and candidates to circumvent FECA's limitations on federal election campaign contributions.

Soft money raised from 1993 to 2002

In 2002, Congress further attempted to reform federal campaign financing with the Bipartisan Campaign Reform Act. The BCRA, sometimes called the "McCain-Feingold" Act, amended the FECA in several respects. First, it prohibited national political party committees from soliciting or spending any soft money and prohibited state and local party committees from using soft money for activities that affect federal elections. Second, it prohibited the use of corporate and union treasury funds to pay for "electioneering communications"—broadcast or cable advertisements clearly identifying a federal candidate—within 30 days of a primary or 60 days of a general election. The law also included a "stand by your ad" provision requiring candidates to appear in campaign advertisements and claim responsibility for the ad (most commonly with a phrase similar to "I'm John Smith and I approve this message.")

This law was also challenged in the Supreme Court, but its core provisions were upheld by the Supreme Court in McConnell v. Federal Election Commission. However, in McConnell, the Court also interpreted the “electioneering communications” provisions of BCRA to exempt “nonprofit corporations that [1] were formed for the sole purpose of promoting political ideas, [2] did not engage in business activities, and [3] did not accept contributions from for-profit corporations or labor unions.” Thus, non-business, non-profit political organizations could run electioneering advertisements provided that they did not accept corporate or union donations.

Furthermore, the BCRA did not regulate "527 organizations" (named for the section of the tax code under which they operate). These nonprofit organizations are not regulated by the FEC, provided that they do not coordinate with candidates or expressly advocate for the election or defeat of a specific candidate. After the passage of the BCRA, many of the soft money-funded activities previously undertaken by political parties were taken over by various 527 groups, which funded many issue ads in the 2004 presidential election. The heavy spending of key 527 groups to attack presidential candidates brought complaints to the Federal Elections Commission of illegal coordination between the groups and rival political campaigns. (In 2006 and 2007 the FEC fined a number of organizations, including MoveOn.org and Swift Boat Veterans for Truth, for violations arising from the 2004 campaign. The FEC's rationale was that these groups had specifically advocated the election or defeat of candidates, thus making them subject to federal regulation and its limits on contributions to the organizations.)

FEC v. Wisconsin Right to Life (2007)

• The reach of the “electioneering communications” provisions of the BCRA was also limited in the 2007 Supreme Court ruling Federal Election Commission v. Wisconsin Right to Life, Inc.

Main article: FEC v. Wisconsin Right to Life

The reach of the “electioneering communications” provisions of the BCRA was also limited in the 2007 Supreme Court ruling Federal Election Commission v. Wisconsin Right to Life, Inc. In Wisconsin Right to Life, the Supreme Court stated that the restrictions on “electioneering communications” applied only to advertisements that “can only reasonably be viewed as advocating or opposing a candidate.” Thus, if there was any reasonable way to view an advertisement as an “issue ad,” it would be exempt from the BCRA’s restrictions.

Citizens United v. FEC (2010) and SpeechNOW.org v. FEC (2010)

• According to a 2011 Congressional Research Service report, these two decisions constitute “the most fundamental changes to campaign finance law in decades.”

• Citizens United overruled the 1990 case Austin v. Michigan Chamber of Commerce, in which the Supreme Court upheld the Michigan Campaign Finance Act, which prohibited corporations from using treasury money to support or oppose candidates in elections.

Campaign finance law in the United States changed drastically in the wake of two 2010 judicial opinions: the Supreme Court’s decision in Citizens United v. FEC and the D.C. Circuit Court of Appeals decision in SpeechNow.org v. FEC. According to a 2011 Congressional Research Service report, these two decisions constitute “the most fundamental changes to campaign finance law in decades.”

Citizens United struck down, on free speech grounds, the limits on the ability of organizations that accepted corporate or union money from running electioneering communications. The Court reasoned that the restrictions permitted by Buckley were justified based on avoiding corruption or the appearance of corruption, and that this rationale did not apply to corporate donations to independent organizations. Citizens United overruled the 1990 case Austin v. Michigan Chamber of Commerce, in which the Supreme Court upheld the Michigan Campaign Finance Act, which prohibited corporations from using treasury money to support or oppose candidates in elections.

Two months later, a unanimous nine-judge panel of the U.S. Court of Appeals for the D.C. Circuit decided SpeechNow, which relied on Citizens United to hold that Congress could not limit donations to organizations that only made independent expenditures, that is, expenditures that were “uncoordinated” with a candidate’s campaign. These decisions led to the rise of “independent-expenditure only” PACs, commonly known as “Super PACs.” Super PACs, under Citizens United and SpeechNow, can raise unlimited funds from individual and corporate donors and use those funds for electioneering advertisements, provided that the Super PAC does not coordinate with a candidate.

McCutcheon v. Federal Election Commission (2014)

• On February 19, 2013, the Supreme Court announced it would hear McCutcheon v. Federal Election Commission, a case challenging the limit on how much individuals can donate directly to political parties and federal candidates.

• On April 2, 2014, the Court announced its opinion and maintained aggregate limits on campaign contributions were unconstitutional under the First Amendment.

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Public financing of campaigns

Public financing of presidential campaigns

• In 2012, each major party is entitled to $18.2 million in public funds for their conventions, and the parties' general election nominees are eligible to receive $91.2 million in public funds.

• Obama again declined government funds for the 2012 campaign, as did Republican nominee Mitt Romney, setting up the only election since the program's launch in which neither major party nominee accepted federal funding.

• At the federal level, public funding is limited to subsidies for presidential campaigns.

At the federal level, public funding is limited to subsidies for presidential campaigns. This includes (1) a "matching" program for the first $250 of each individual contribution during the primary campaign, (2) financing the major parties' national nominating conventions, and (3) funding the major party nominees' general election campaigns.

To receive subsidies in the primary, candidates must qualify by privately raising $5000 each in at least 20 states. During the primaries, in exchange for agreeing to limit his or her spending according to a statutory formula, eligible candidates receive matching payments for the first $250 of each individual contribution (up to half of the spending limit). By refusing matching funds, candidates are free to spend as much money as they can raise privately.

From the inception of this program in 1976 through 1992, almost all candidates who could qualify accepted matching funds in the primary. In 1996 Republican Steve Forbes opted out of the program. In 2000, Forbes and George W. Bush opted out. In 2004 Bush and Democrats John Kerry and Howard Dean chose not to take matching funds in the primary.[citation needed] In 2008, Democrats Hillary Clinton and Barack Obama, and Republicans John McCain, Rudy Giuliani, Mitt Romney and Ron Paul decided not to take primary matching funds. Republican Tom Tancredo and Democrats Chris Dodd, Joe Biden and John Edwards elected to take public financing.

In addition to primary matching funds, the public funding program also assists with financing the major parties' (and eligible minor parties') presidential nominating conventions and funding the major party (and eligible minor party) nominees' general election campaigns. The grants for the major parties' conventions and general election nominees are adjusted each Presidential election year to account for increases in the cost of living. In 2012, each major party is entitled to $18.2 million in public funds for their conventions, and the parties' general election nominees are eligible to receive $91.2 million in public funds. If candidates accept public funds, they agree not to raise or spend private funds or to spend more than $50,000 of their personal resources.

No major party nominee turned down government funds for the general election from 1976, when the program was launched, until Barack Obama did so in 2008. Obama again declined government funds for the 2012 campaign, as did Republican nominee Mitt Romney, setting up the only election since the program's launch in which neither major party nominee accepted federal funding.

Eligibility of minor parties for public funds is based on showing in previous elections. The only party other than the Republicans and Democrats to receive government funding in a general election was the Reform Party, which qualified for public funding in 1996 and 2000 on the basis of Ross Perot's strong showing in the 1992 and 1996 elections.

The presidential public financing system is funded by a $3 tax check-off on individual tax returns (the check off does not increase the filer's taxes, but merely directs $3 of the government's general fund to the presidential fund). The number of taxpayers who use the check off has fallen steadily since the early 1980s, until by 2006 fewer than 8 percent of taxpayers were directing money to the fund, leaving the fund chronically short of cash.

Public financing at the state and local level

• In 2008, the Supreme Court's decision in Davis v. Federal Election Commission suggested that a key part of most Clean Election laws—a provision granting extra money (or "rescue funds") to participating candidates who are being outspent by non-participating candidates—is unconstitutional.

• Candidates who agree to spending limits are eligible for money from this fund.

A small number of states and cities have started to use broader programs for public financing of campaigns. One method, which its supporters call Clean Money, Clean Elections, gives each candidate who chooses to participate a fixed amount of money. To qualify for this subsidy, the candidates must collect a specified number of signatures and small (usually $5) contributions. The candidates are not allowed to accept outside donations or to use their own personal money if they receive this public funding. Candidates who choose to raise money privately rather than accept the government subsidy are subject to significant administrative burdens and legal restrictions, with the result that most candidates accept the subsidy. This procedure has been in place in races for all statewide and legislative offices in Arizona and Maine since 2000, where a majority of officials were elected without spending any private contributions on their campaigns. Connecticut passed a Clean Elections law in 2005, along with the cities of Portland, Oregon and Albuquerque, New Mexico.

A 2003 study by GAO found, "It is too soon to determine the extent to which the goals of Maine’s and Arizona’s public financing programs are being met."[needs update]

The "Clean Elections" movement had several defeats in the 2000s and 2010s. Proposition 89, a California ballot proposition in November 2006, sponsored by the California Nurses Union, that would have provided for public financing of political campaigns and strict contribution limits on corporations, was defeated. In 2008, the non-partisan California Fair Elections Act passed the legislature and Governor Schwarzenegger signed it, but the law did not take effect unless approved by voters in a referendum in 2010. In June 2010, voters soundly rejected the measure, 57% to 43%. A proposal to implement Clean Elections in Alaska was voted down by a two-to-one margin in 2008, and a pilot program in New Jersey was terminated in 2008 amid concern about its constitutionality and that the law was ineffective in accomplishing its goals. In 2010, Portland voters used a referendum to repeal the clean elections law, originally enacted by the city council. In 2006, in Randall v. Sorrell, the Supreme Court held that large parts of Vermont's Clean Elections law were unconstitutional. In 2008, the Supreme Court's decision in Davis v. Federal Election Commission suggested that a key part of most Clean Election laws—a provision granting extra money (or "rescue funds") to participating candidates who are being outspent by non-participating candidates—is unconstitutional. In 2011, in Arizona Free Enterprise Club's Freedom Club PAC v. Bennett, the Supreme Court struck down the matching funds provision of Arizona's law on First Amendment grounds.

Massachusetts has had a hybrid public funding system for statewide offices since 1978. Taxpayers are allowed to contribute $1 to the statewide election fund by checking a box on their annual income taxes. Candidates who agree to spending limits are eligible for money from this fund. Non-participating candidates are required to estimate spending, and this will raise the limit for participating opponents if higher than the agreed-to limit.

Impact of finance on the results

• A 2011 study found that "even after controlling for past contracts and other factors, companies that contributed more money to federal candidates subsequently received more contracts."

• Research by University of Chicago political scientist Anthony Fowler and Northwestern University political scientists Haritz Garro and Jörg L. Spenkuch found no evidence that corporations that donated to a candidate received any monetary benefits from the candidate winning election.

A 2016 experimental study in the American Journal of Political Science found that politicians made themselves more available for meetings with individuals when they believed that the individuals had donated to their campaign. A 2011 study found that "even after controlling for past contracts and other factors, companies that contributed more money to federal candidates subsequently received more contracts." A 2016 study in the Journal of Politics found that industries overseen by committees decreased their contributions to congresspeople who recently departed from the committees and that they immediately increase their contributions to new members of the committees, which is "evidence that corporations and business PACs use donations to acquire immediate access and favor—suggesting they at least anticipate that the donations will influence policy." Research by University of Chicago political scientist Anthony Fowler and Northwestern University political scientists Haritz Garro and Jörg L. Spenkuch found no evidence that corporations that donated to a candidate received any monetary benefits from the candidate winning election.

Donor characteristics

• Another 2017 study found that relatively unpopular industries provide larger contributions to candidates.

• The authors of the study argue that this is because candidates lose voter support when they are associated with unpopular industries and that the industries therefore provide larger contributions to compensate for this loss of support.

• With respect to why individuals contribute, we show that donors appear responsive to their perception of the stakes in the election."

A 2017 study found that "only a small portion of Americans make campaign donations" and that both Democratic and Republican donors "are more ideologically extreme than other partisans, including primary voters. With respect to why individuals contribute, we show that donors appear responsive to their perception of the stakes in the election."

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Sources of data

• Many localities have their own reporting requirements that are not listed here.

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See also

• Campaign finance

• Money trail – Money loop

• Political finance

• Campaign finance reform in the United States

Buckley v. Valeo

FEC v. Wisconsin Right to Life

Eight Magic Words

Campaign finance

Campaign finance reform in the United States

DISCLOSE act

Money trail – Money loop

Political action committee

Political corruption in the United States

Political finance

Testing the waters

Notes

Further reading

• Citizens Divided: Campaign Finance Reform and the Constitution.

• The Fallacy of Campaign Finance Reform.

• Money, Power & Election: How Campaign Finance Reform Subverts American Democracy.

• Soft Money and Hard Choices: Why Political Parties Might Legislate Against Soft Money Donations.

• The Campaign Finance Institute.

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External links

• Campaign Legal Center

• An in-depth look at American campaign finance from the viewpoints of both politicians and lobbyists.

• The Cost of Campaigns by Retro Report looks at how campaign finance reform and how it has come full circle since the Watergate campaign finance scandals.

• Public Campaign

• Federal Election Commission

• Campaign Finance Institute

Federal Election Commission

National Institute on Money in State Politics

OpenSecrets.org

RedBlue Tracker

CQ PoliticalMoneyLine

Campaign Legal Center

Campaign Finance Institute

Public Campaign

Common Cause

Public Citizen

Moneyed Politicians

Center for Competitive Politics

Campaign Cash Since Citizens United Ruling—video report by Democracy Now!

Cash Attack 2010 at FactCheck.org

"Take the Money and Run for Office". This American Life. Episode 461. March 30, 2012. Public Radio International. An in-depth look at American campaign finance from the viewpoints of both politicians and lobbyists.

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The Cost of Campaigns by Retro Report looks at how campaign finance reform and how it has come full circle since the Watergate campaign finance scandals.

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