

## Literature Review:

First Piece: *Do Incumbent Campaign Expenditures Matter?*

<https://www.jstor.org/stable/pdf/2131543.pdf>

Second Piece: *A Simple Explanation for Why Campaign Expenditures are Increasing: The Government is Getting Bigger.*

<https://www.journals.uchicago.edu/doi/abs/10.1086/467459>

Third Piece: *A regression discontinuity design analysis of the incumbency advantage and tenure in the US House*

<https://www.sciencedirect.com/science/article/pii/S0261379408001030>

There have been a multitude of papers written and studies done looking at an incumbent's campaign expenditure, and how it affects the outcome of Congressional races. How much a candidate spends has been a relevant factor in an election in the past fifty years, and has become increasingly important in recent elections. These works look into similar ideas involving concepts and questions relating to our research topic. These concepts include incumbent campaign expenditures, and reasons for the certain amount of spending these incumbents partake in.

There is still the overarching question as to whether the amount an incumbent spends on their campaign really has a significant impact on the outcome of an election. Scott Thomas in his paper *Do Incumbent Campaign Expenditures Matter?* concludes that, contrary to prior belief, the amount that an incumbent spends on their campaign for reelection does affect the results of the race. Through the use of an econometric model and a least squares regression, Thomas finds that an incumbent can increase his or her number of votes if campaign expenditures are increased (Thomas, 973). These findings are based off of 1978 and 1980 U.S. House of Representatives election data, and helps shape our research question by first proving the effectiveness of campaign expenditures which then allows us to look into certain variables impacting how much an incumbent spends.

Now that it is proven that these expenditures have a great impact on a congressional race, a piece that explores a reason for increased campaign expenditures is *A Simple Explanation for Why Campaign Expenditures are Increasing: The Government is Getting Bigger* by John Lott Jr. This piece looks at federal campaign expenditures and how they are positively correlated with government spending. Lott writes "Federal campaign spending for all candidates running for the House and Senate has risen by 180 percent in real terms from 1976 to 1994." (Lott, 359). Our research is based off of congressional election data that was taken from 1988 and 1990 congressional elections which are both associated with this hike in campaign expenditures. Lott argues that this rapid increase in spending has something to do with an increase in government spending. This is because Lott finds that "per capita real expenditures increased by 136 percent." (Lott, 359) in the same time frame. While this correlation certainly does not mean causation, Lott looks into this anomaly to see if this increase in government spending is one of the reasons for this increase in campaign spending. He argues that when a

politician wins office there are government transfers that go along with the win that was promised by the candidate. With higher donations, there is more spending and a larger amount of government transfers (greater government spending). This paper helps create a more specific question for our study as it looks at the reason behind higher campaign spending. We decided to take a different approach and look into how a variable such as tenure affects that same campaign expenditure.

Daniel Butler's paper *A regression discontinuity design analysis of the incumbency advantage and tenure in the US House* provides inspiration for our question as it looks at the effect of tenure on the advantage incumbents have in congressional elections when compared to challengers. This paper takes into account the differences between freshman and non freshman incumbent advantage. Butler concludes that non freshman incumbents enjoy a greater incumbent advantage than freshman due to their greater ability to deter quality challengers. He states that "the incumbency advantage for non freshman is about 2.3 percentage points higher than it is for freshman incumbents." (Butler). This study shows that getting reelected once is a very important factor in the results of future elections, and is based off the comparison between first year and non first year incumbent election results. Butler leads us to the conclusion that the longer a congressional member stays in office, the higher the incumbency advantage is. This means that the longer the tenure in office, the more likely an incumbent is to win. Our question looks into a similar idea which also involves how long an incumbent is in office, but looks at campaign spending instead of incumbent advantage.