Big Donor Dominance: Campaign Finance in San Diego

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Aerial View of San Diego, California by Stephen Leonardi, 12/27/2017

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Introduction

Campaign funding is often lost behind the glitz and glamor of horse race style political reporting. However, money in politics plays an important role in who runs for office and what policies they enact. The following analysis details the patterns and trends in campaign funding for candidates in San Diego, California, from 2016 through 2022. We will be looking at who contributes to candidate campaigns, where these contributors are from, and the size of their contributions. Our analysis shows that large donors have an outsized impact on campaign funding in San Diego.

Key Takeaways

- A small number of individuals had a large impact. Two-thirds (67%) of all contribution dollars to City Council Candidates came from fewer than 800 individual donors, out of San Diego's ~1.4 million residents.
- **Most donations came from high-dollar contributors.** Donors giving the maximum allowable amount made up 67% of candidate funds in 2022.
- Running a competitive campaign has become more expensive. The amount raised by the average winning City Council candidate has nearly doubled, from \$165k in 2016 to \$325k in 2022.
- **Donors from affluent waterfront neighborhoods tended to give more money to candidates.** Five of the top six ZIP codes by Total Contributions were on the water.
- Areas with a higher percentage of white, educated residents tended to contribute more to candidates.
 The top ZIP codes, in terms of total contribution dollars, had a larger percentage of white residents and individuals with a bachelor's degree or higher, compared to the overall San Diego area.
- The real estate and construction industries had a large impact. Although these industries employ around 8% of the San Diego workforce, they contributed 17% of the campaign funding.

Trends Over Time

Total Contributions

Total contributions made to city council candidates have trended upward over the last four elections. The notable exception is 2022, in which there was a fairly significant drop in the total contributions. During that election, a few different factors converged, resulting in reduced contributions for that particular cycle. Fewer candidates ran for the four seats up for election in 2022, and in three of the four districts, an incumbent was in the race. In addition, 2022 represented a low point in consumer sentiment, per the University of Michigan Consumer Sentiment measure released by FRED (Federal Reserve Economic Data). According to their chart found here, the consumer sentiment measure peaked in early 2020 and dropped to a low in the summer of 2022. Finally, the 2022 election happened in the two years following the COVID-19 pandemic, and the widespread uncertainty around the recovery.

Total Contributions by Election

Contributions have trended upward over time. In the past four elections, contributions made to City Council candidates peaked in 2020, at \$3.38 million.

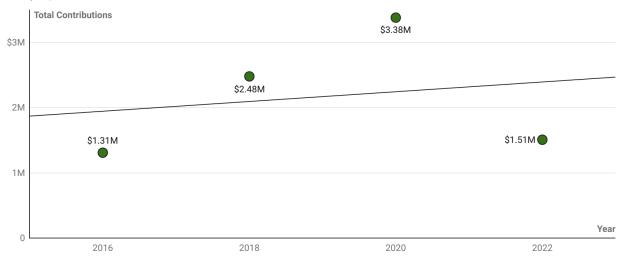


Chart: MapLight • Created with Datawrapper

Drawing a trend line across the four past city council elections (2016, 2018, 2020, 2022), the trend is still clear total contributions are on the rise. According to the City of San Diego, the population has been rising at a rate of 0.9% per year from 2017-2022 [link]. The trend line for the past four elections indicates an expected increase from less than \$2 million in contributions to a projected \$2.5 million in 2024, or 2.8% per year. Campaign contributions to city council candidates are rising 3x as fast as the population of San Diego.

2022 City Council Total Contributions

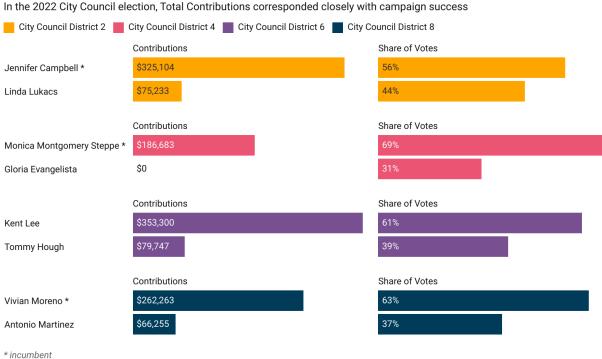


Chart: MapLight • Created with Datawrapper

The 2022 election had four city council seats on the ballot - districts 2, 4, 6, and 8. Each of the three incumbents who were running for re-election won back their seats on the council. Incumbent Jennifer Campbell defeated runner-up Linda Lukacs in the District 2 race with 56% of the votes in the general election. Monica Montgomery-Steppe won re-election in the District 4 race, with 69% of the vote against Gloria Evangelista in the general election. Vivian Moreno was the final incumbent in 2022, earning re-election with 63% of the vote in District 8 against opponent Antonio Martinez. The only race without an incumbent was District 6. In that race, Kent Lee won with 61% of the vote in the general election against runner-up Tommy Hough.

In 2022, total contributions raised was a strong indicator of campaign success. Each eventual winner outraised their opponents by a factor of 3 or more. Voter turnout dropped in 2022 compared to 2018 - the last year in which the same seats were up for election. In 2018, 166,782 votes were cast in the general election. Four years later in 2022, the same seats were on the ballot but only 133,488 voters cast their ballot. That represents a 20% drop in turnout.

In other years, contribution totals were much less closely correlated with campaign success. This indicates that total financial support is not a guaranteed path to winning elections. Clearly, a baseline level of funding is needed to run a campaign, but there are numerous cases where the most well-funded candidate did not ultimately win the election. In 2020, for example, Joe LaCava was outraised by two candidates in the Primary and one in the General election, but still won the District 1 race. Two other candidates in 2020, Marni von Wilpert and Raul Campillo, were outraised in their respective races but came out on top. In 2018, Jennifer Campbell won the District 2 race despite being outraised by Lorie Zapf by a factor of 2 to 1.

Average Contributions

Over time, average contributions to city council candidates have trended upward. It has been increasingly expensive for a candidate to run a competitive campaign. In an effort to mitigate discrepancies due to differing numbers of candidates or seats up for election, we took the average of the total contributions for winning candidates in each of the past four elections. [Total raised by all winning candidates] / [Number of city council seats up for election]

Average Contributions raised by Winning Candidates Over Time

Contributions raised by winning candidates has increased over time. For each election, the Average was found by totaling the Contributions to winning City Council candidates and dividing by the number of seats up for election.

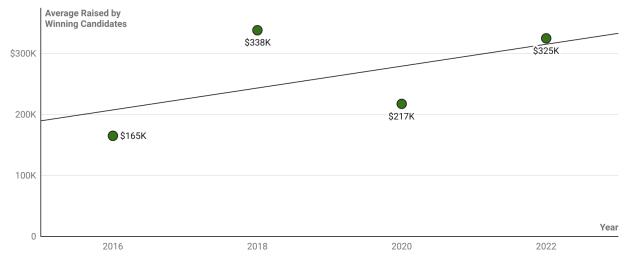


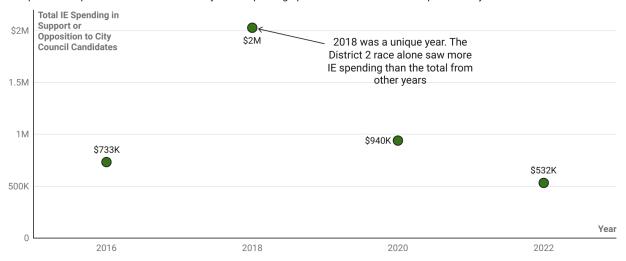
Chart: MapLight • Created with Datawrapper

If the trend continues, winning a city council election in 2024 may take, on average, around \$350k in campaign contributions, which is more than double the amount it took to win eight years prior, in 2016.

Independent Expenditures

Total Independent Expenditures Over time

Independent Expenditures have consistently made up a large portion of the total dollars spent on City Council Elections.



Note: These numbers are not included in the Total Contributions on other charts. Chart: MapLight • Created with Datawrapper

In our analysis, independent expenditures did not see a noticeable trend over time. Aside from the 2018 election, which was an outlier due to increased spending levels in the District 2 race, independent expenditures stayed fairly steady between \$500k and \$1m. The District 2 race was a highly competitive one, between the incumbent Lorie Zapf and Jennifer Campbell. More independent expenditures were made in the 2018 District 2 race alone than there were for all of the city council races combined, for other years.

Donors by Contribution Size

Large Contributions

For the purposes of this report, 'large contributors' are defined as those giving the maximum contribution to at least one campaign. In the 2022 Election, 672 individual donors gave the maximum contribution of \$650 to one candidate campaign, 78 gave the maximum to two candidates, 29 gave the maximum to 3 campaigns, and 16 gave the maximum to 4 campaigns, and one gave the maximum to 5 different candidates. Adding those together gives a total of 796 large donors. Those 796 large donors represented 30% of the 2678 total donors, but their total contributions to candidates in 2022 was almost \$950k.

Total Contributions by Donor Size

Contributions from large donors - those who gave the maximum to at least one campaign - made up 67% of the total Contribution dollars from Individuals in the 2022 election.

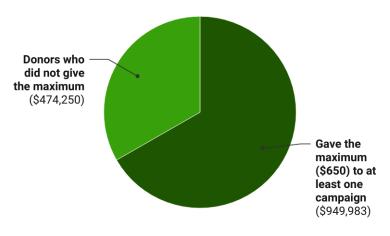


Chart: MapLight · Created with Datawrapper

The money contributed by these large donors made up 67% of the total individual contributions in 2022. Approximately \$640k of the total from large donors was made up of contributions which were at the limit - the remaining \$310k was made up of smaller contributions to other candidates.

Donor Pool Composition

In the 2022 Election, Donors who gave the contribution limit of \$650 to at least one campaign made up 30% of the pool of individual donors

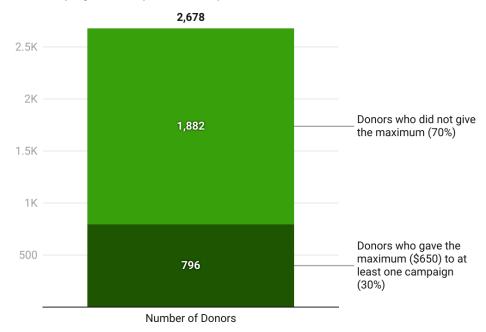


Chart: MapLight · Created with Datawrapper

The discrepancy between donors who max out contributions and those who don't becomes more stark when boiled down to an average contribution. The 796 large donors gave \$950k in 2022, compared to the 1,882 'small donors' (those who didn't contribute the maximum to any one candidate) who made a combined \$474k of contribution to candidates in 2022. The average contribution total for a large donor was \$1,193, and the average for a small donor was \$252. The average large donor gave 373% more money than the average small donor - and yet large donors made up less than a third of the donor pool.

Small Contributions

In the Donor Pool Composition chart above, small donors are defined as those who did not give the maximum amount to any one campaign. Despite outnumbering large donors by a factor of more than two to one, small donors actually gave less than half of the total given by large donors.

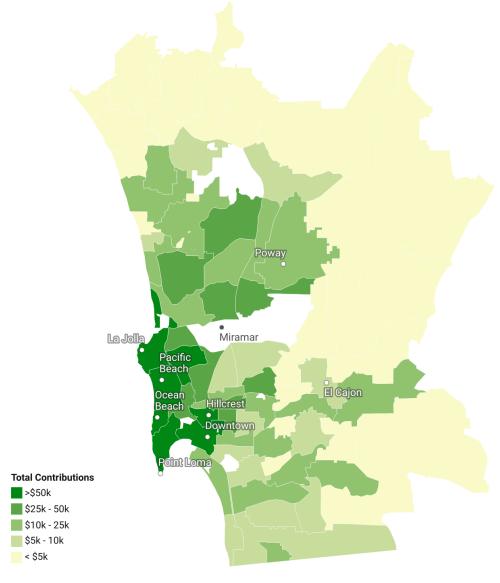
The state of campaign finance in San Diego is not unique. Other cities have attempted to grapple with inequality in political funding. In Seattle, Washington, a Democracy Voucher program was introduced in 2017, giving four \$25 vouchers to every registered voter. A <u>study</u> from the University of Washington published in April 2022 found that the program increased the number of donors per race by \sim 350%, and total contributions from small donors (those giving up to \$200) increased by \sim 270%. The authors reported a 53% increase in total contributions, and an 86% increase in the number of candidates. The UW study found that by most metrics, the Democracy Dollar program was successful in its goal of increasing small dollar donor participation.

Where Do Contributors Live?

The map below shows the total contributions grouped by ZIP code. It was generated using ZIP code boundary data as well as the total contributions to city council campaigns in the 2022 election, grouped by ZIP code. There were contributions from outside the area shown, but those were omitted from the map to allow more detail of local ZIP

Contributions in the 2022 Election

The ZIP codes with the largest Contribution totals in the 2022 Election tended to be located near the water or downtown San Diego.



Map: MapLight • Created with Datawrapper

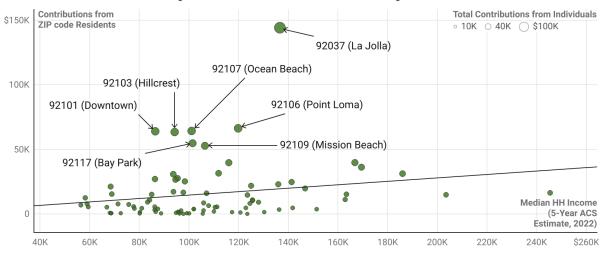
codes. In order to create a map with an approximately equal number of members in each group, the scale is not linear. The top cohort of ZIP codes with \$50k or more of contributions, and only the largest (92037) exceeded \$100k. Residents of that ZIP code gave \$144k to city council candidates in the 2022 election. The white zone with the Miramar label is the Marine Corps Air Station Miramar, which is why there were no contributions from residents of that ZIP code. It is clear from the map that the ZIP codes with the most contribution dollars in 2022 were near the water or downtown San Diego, with 92037 leading other ZIP codes in total contributions by a large margin.

Top ZIP Codes

In order to determine if there was a correlation between a ZIP code's campaign contributions and the financial status of its citizens, we plotted the ZIP codes of San Diego with the total contributions on one axis and the median household income according to census data on the other. Median household income in the San Diego metro area was \$96,974.

Total Contributions by ZIP Code

Wealthier ZIP codes tended to have higher Total Contributions. Waterfront ZIP codes gave the most.



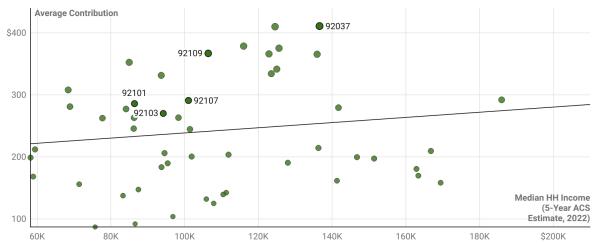
The datapoints represent the Total Contributions from Individuals in the 2022 Election, grouped by San Diego ZIP codes. Median Household income was taken from the 5-year ACS estimate for 2022.

Chart: MapLight • Created with Datawrapper

The top 6 ZIP codes which gave the most to city council candidates in 2022 are 92037 (La Jolla), 92106 (Point Loma), 92101 (Downtown), 92103 (Hillcrest), 92107 (Ocean Beach), and 92109 (Mission Beach). With the exception of Hillcrest, all are on or near the water. Next, we reviewed the average contribution by ZIP code. For the plot below, contributions were grouped by ZIP code. The ZIP codes were charted with the average contribution on one axis and the median household income on the other axis.

Average Contribution by ZIP Code

Wealthier ZIP codes tended to have higher Average Contributions.

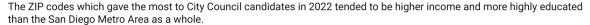


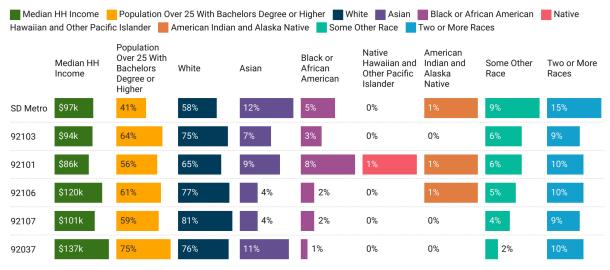
The datapoints represent the average Contribution in the 2022 Election, grouped by San Diego ZIP codes, using ZIP codes with 10 or more discrete Contributions. Median Household income was taken from the 5-year ACS estimate for 2022

Chart: MapLight • Created with Datawrapper

A linear trend line was added, showing the correlation between median household income and average political contributions. The waterfront ZIP codes from the plot of total contributions are also above the trend line here, meaning that they have higher than usual average contributions based on their median household income.

Demographics of the ZIP Codes Which Had the Highest Total Contributions in the 2022 Election





Demographic data is from the 2022 ACS 5-Year Estimate for the San Diego Metro Area. Chart: MapLight • Created with Datawrapper

ZIP Code Demographics

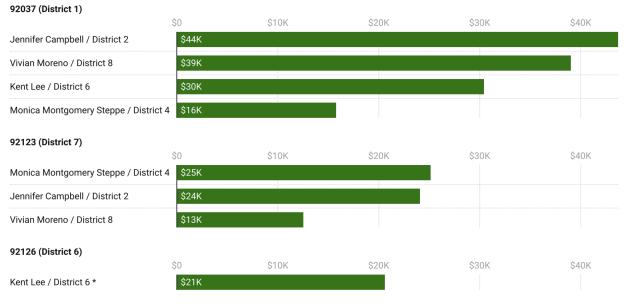
A waterfront location wasn't the only commonality between ZIP codes which gave substantial sums to city council candidates. Looking at the demographics of the ZIP codes with the highest total contributions in 2022, we saw that there were a few common attributes. According to census data, 41% of San Diego metro area residents over 25 have a Bachelor's Degree or higher, but all of the top 5 ZIP codes have a greater level of academic achievement. In the ZIP code with the most contributions in the 2022 election (92037), 75% of the residents have a Bachelor's Degree or higher. Top contributing ZIP codes also had a larger share of White residents, and were generally less diverse than the San Diego metro area as a whole.

ZIP Codes Supporting Winning Candidates

In an ideal world, candidates would draw the bulk of their financial support from their constituents - those living within the district they are hoping to represent. In reality, we observed that contributions were dominated by those living in wealthier areas. In order to determine the impact of wealthy ZIP codes, we took the winning candidates in 2022, grouped the contributions by ZIP code, and then sorted by total contributions. The top two contributing ZIP codes for each winning candidate are shown in the chart below.

Winning Candidates Top 2 ZIP Codes by Total Contributions

All four winning City Council candidates in 2022 received a large portion of their contributions from 92037. Also, three of the four winners received large amounts of contributions from 92123.



* indicates that the ZIP code is within the District.

Chart: MapLight • Created with Datawrapper

Two ZIP codes stood out in the results: 92037 (La Jolla) and 92123 (Serra Mesa and the part of Kearny Mesa that is east of SR-163). Donors from 92037 were in the top two total contributing ZIP codes for the winning candidates in each of the 4 districts up for election. Donors from 92123 were in the top two ZIP codes for three of the four districts. In fact, according to this list of San Diego city council districts by ZIP code, only one of the top contributing ZIP codes was from the district which the candidate was running to represent - Kent Lee's second-largest contributor base was from 92126, which is in District 6. The significance of this should not be overlooked. Winning candidates were largely funded by contributions from donors living outside of the district they were running to represent. In addition, 92037 was a top-two contributing ZIP code for all four of the City Council winners.

Sources of Contributions

Local Contributors

Yet another metric we reviewed is the distribution of contributors who are local San Diegans versus those living outside San Diego. As shown in the chart below, locals made up a majority of the individual contributions to city council campaigns in 2022.

Contributions in the 2022 Election by Location

San Diego residents made up a majority of the \$1.5 million in contributions from individuals to campaigns in the 2022 Election. California residents living outside San Diego and people living outside California made up about 5% of the total Contributions each.

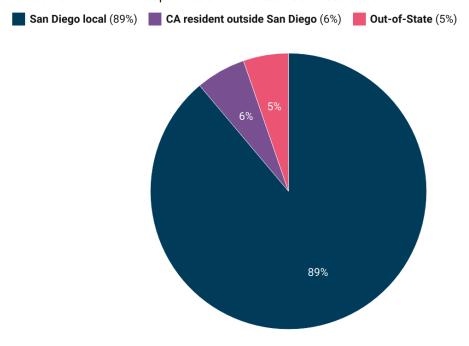


Chart: MapLight • Created with Datawrapper

San Diegans - classified as those living within ZIP codes in the San Diego metro area - gave \$1.34 million to city council candidates, which is 89% of the total. Californians living outside San Diego and out-of-state donors gave an almost even split of the remaining 11% of individual contributions, giving \$88k (6%) and \$80k (5%) of the total contributions, respectively.

Real Estate and Construction

A trend stood out when reviewing the list of contributors in 2022 - there was a large number of companies and employers which seemed to be related to real estate and construction. Upon closer inspection, we found that \$250k (17% of the total contributions to city council campaigns) came from individuals employed by real estate or construction companies, or the companies themselves. Unions and trade associations were also included in the figure. Hotels were included, but restaurants were not. The 17% figure is almost certainly an underestimate, as many individuals or businesses could not be directly connected to real estate or construction interests, but should be counted. This is a surprisingly large share of total contributions, given that (based on figures found on the CA EDD website) 8% of the labor force worked in those industries. Most of the potential explanations for the difference point to an imbalance in campaign influence. Whether workers in those industries make more money, or if they have a greater expectation of affecting change via their contributions, it seems clear that the Real Estate and Construction industries are having an outsized impact on campaign finance in San Diego.

Conclusion

In the 2022 election and the three prior elections we studied, substantial money has been spent in support and opposition of city council candidates, and the numbers continue to rise. Average and total contributions are trending upward, at a rate exceeding what could be explained by population growth alone. Large donors who hit the contribution limit made up the majority of funding for most candidates, and these large donors were mostly located in wealthier, more highly-educated neighborhoods. These areas which gave more money to candidates also tended to be closer to the water. In 2022, campaign funding was closely correlated with campaign success. Therefore, it is a practical necessity for candidates to seek funding from wealthier, more highly educated donors living in waterfront areas in order to compete in elections.

Methodology / Notes

This report is the result of the synthesis of multiple data sources. Election results were taken from the city elections results on the San Diego <u>city website</u>. Where vote counts are referenced in the report, we used the number from the general election (not the Primary). Campaign finance data was downloaded on 2/10/2024 from the San Diego campaign finance <u>website</u>. Demographic data was taken from census.gov, and specifically the 2022 ACS 5-year estimates for the San Diego metropolitan area. Much of this report deals with trends over multiple elections, so in an effort to maintain consistency, most figures are for city council elections only. Any figures incorporating other races (such as mayoral races) will make note of the data referenced.

Contribution limits have changed over time. In 2022, the limit for individuals to city council candidates was \$650, an increase from \$600 in the 2020 election. In 2016 and 2018, the contribution limit was \$550. Mayor and city attorney contribution limits have increased over time as well. In 2022, the limit for mayoral and city attorney candidates was \$1200 - up from \$1150 in 2020.

As mentioned above, much of this report focuses on city council races. The last four major elections in 2016, 2018, 2020, and 2022 each had 4-5 open city council seats. San Diego alternates between Districts 1, 3, 5, 7, and 9 (2016 and 2020, and Districts 2, 4, 6, and 8 (2018 and 2022). Focusing on city council elections gives us a practical way to track changes over time.

Acknowledgements

This report was published by MapLight, a nonpartisan, nonprofit organization dedicated to increasing transparency for campaign finance. This report was made possible with generous support from the Evelyn and Walter Haas Jr. Fund. We would like to express our gratitude to California Common Cause, Engage San Diego, League of Women Voters of San Diego, Represent Us San Diego, Viet Voices San Diego, Voter's Voice Initiative, and The Justice Workshop for providing thoughtful feedback on the analysis. Many thanks also to the many internal and external reviewers who gave their valuable time to provide feedback and guidance throughout the course of this project.

Appendix: Other Offices

This report focuses on the city council races, due to their presence on the ballot in all of the last four elections. However, this section will briefly discuss the Mayor and City Attorney elections, which took place in 2016 and 2020. Based on those two elections, it seems fair to say that a mayoral race draws as much campaign funding as all of the city council races combined.

Incumbent mayor Kevin Faulconer won re-election in 2016, with 57% of the vote in the primary. Mara Elliot won the City Attorney race in the general election with 57% of the vote, despite being out-raised by runner-up Robert Hickey, who raised \$766k versus Elliot's \$340k in contributions. Faulconer raised over \$415k, and other mayoral candidates each raised less than \$100k. Total campaign contributions for the mayoral and city attorney races was over \$1.8 million combined.

In 2020, Mara Elliot was the incumbent for city attorney, and won the general election with 67% of the vote. Todd Gloria defeated Barbara Bry in the general election for mayor, with 56% of the votes cast. Gloria raised over \$2 million in contributions, and the Bry campaign raised even more - \$2.8 million. In the city attorney race, Elliot's campaign raised \$516k, while her opponent Cory Briggs raised \$256k.