



May 2010

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## **Taking Elections off the Auction Block**

*Comparison of CA and other states shows Fair Election programs  
reduce the role of big money in buying elections*

Californians' approval rating for their legislature has fallen to a historically low nine percent.<sup>i</sup> Why then, don't voters unelect them?

Part of the reason may be that powerful interests who benefit from the current system have perfected techniques of directing huge sums of campaign funds toward candidates whose election will benefit them. As a result, candidates who aren't favored by the donor class don't raise much money and don't win elections. When donors matter more than voters, low voter approval ratings don't translate into electoral upheavals. This stark reality no doubt keeps many qualified candidates from even running in the first place.

### **Executive Summary**

In, California, the candidate who raises the most money wins 97% of general elections. Most races aren't even close from a fundraising viewpoint -- 86% of winners raise more than five times what their opponent raises.

California's money-driven elections can be compared to three other states which have implemented full public financing for legislative campaigns: Maine, Arizona, and Connecticut. States that have full public financing, also known as Fair Elections programs, see low disparities in spending between winning candidates and their opponents, with two-thirds of candidates outspending their opponents, and by much smaller ratios than in California. Just a third of the races featuring a candidate who outraised their opponent by a greater than five-to-one ratio (usually in uncontested races) and overall winning candidates raised 29% more than all their opponents combined in public financing states. In California, by contrast, winners raised more than double what all their opponents combined raised.

Even when winning candidates do have a financial advantage in public financing states, the funds come overwhelmingly from public funds and private contributions of \$250 or less. So, to the extent elections are "bought" in these states, they are bought by small donors and the public at large. However, in California, 96% of the funds raised came in amounts greater than \$250 – an amount affordable to only a few wealthy interests.

In short, California elections are bought much more often and easily than elections in states with public financing, and the ones doing the buying comprise a narrow slice of the electorate who are unlikely to represent the interests of ordinary voters.

### Comparison of California Money Dominance to Fair Election States

	CA	AZ	CT	ME	Fair Elections Combined
general election winner top fundraiser	97%	63%	74%	58%	66%
<b>general election winner &gt; 5-to-1 advantage</b>	<b>86%</b>	<b>28%</b>	<b>51%</b>	<b>16%</b>	<b>33%</b>
winner top fundraiser in both primary and general	94%	58%	74%	58%	45%
top fundraiser 5-to-1 advantage over best opponent	68%	20%	47%	15%	30%
total winners to opponents ratio	2.33	1.29	1.45	0.99	1.29
% funds public	0%	74%	78%	86%	
Private < \$250	4%	11%	20%	8%	
<b>Private &gt; \$250</b>	<b>96%</b>	<b>15%</b>	<b>2%</b>	<b>6%</b>	

### In California, bids are high and small donors lose

A basic analysis of 2008 elections reveals that while the candidate with a financial advantage doesn't always win, they do in the vast majority of instances.

In California assembly general elections, the candidate who raised the most money won 98% of the time. The percentage of races where winners outraised opponents by a ratio of more than 5-to-1 in general elections (comparing to the best funded opposing candidate) was 85% (68 of 80 races).

Assembly winners outraised all opponents in both primary and general by a ratio of 2.7-to-1.

In California senate general elections, the candidate who raised the most money won 95% of the time. The winning candidate outraised the second place candidate by a ratio of more than 5-to-1 90% of the time.

Winning candidates raised 1.68 times that of all opponents in both primary and general elections for California senate races.

### **What about gerrymandering?**

Another major factor in influencing election results, often unfairly, is the way political districts are drawn to benefit one candidate or party over another. This is particularly true when political districts are drawn by incumbents, as has been the case in California in the past.

However, even in districts that heavily tilt toward one party or another, voters could still hold elected officials accountable by voting them out in primary elections. With a nine percent approval rating, we might expect that in California.

However, in California assembly races, the winning candidate raised more money than their best funded opponent in either their primary or general election opponent 96% of the time. The percentage of races where winners outraised their best funded challengers in either the primary or general elections by a ratio of more than 5-to-1 was 68%.

Moreover, in California assembly races, the winning candidate raised more money than all primary and general election opponents combined 89% of the time.

In California senate races, the winning candidate raised more money than either their primary or general election opponent 85% of the time. The winning candidate outraised their 2<sup>nd</sup> best funded challenger in either the primary or general election by a ratio of more than 5-to-1 65% of the time.

In California senate races, the winning candidate raised more money than all primary and general election opponents combined 85% of the time.

### **What about Independent Expenditures?**

The above figures only account for money raised by candidates themselves, not funds spent by outside groups on advertisements or mailers promoting or attacking a candidate. However, even when factoring in independent expenditures, the numbers do not change significantly.

Including independent expenditures, the candidate with the most money on his or her side in California assembly races won 98% of the time.

In California assembly races, the winning candidate had more money on his or her side including independent expenditures in both the primary and general elections 96% of the time.

In California assembly races, the winning candidate had more money on his/her side than *all opponents and independent* expenditures in both the primary and general elections 90% of the time.

Counting independent expenditures, California assembly winners had 2.5 times as much money on their side as losers.

For senate races, including independent expenditures, the candidate with the most money on his or her side in general elections won 95% of the time.

In California senate races, the winning candidate had more money on his or her side in both the primary and general elections 90% of the time.

In fact, in California senate races, the winning candidate had more money on his/her side than all opponents and independent expenditures in both the primary and general elections 90% of the time.

Counting independent expenditures, winning CA senate candidates had 1.73 times the money of losers.

Overall in California, for 97 of 100 general elections for 2008, the candidate with the financial advantage including independent expenditures won, and in 95 of 100 races the candidate with the financial advantage over both primary and general opponents won.

### **Historically consistent**

Other California studies have found similar results. An analysis by the California Clean Money Campaign found that in California, for the years 2002-2006, the candidate who spent the most money won 93% of all elections, including races where the highest spender was the only candidate.

A study by CALPIRG found that 93% of elections in 1998 were won by the candidate who raised the most money and that in two-thirds of all races the winning candidate outspent his or her opponent by more than a 5-to-1 ratio.

### **Connecticut – New Program Put Small Donors in Charge**

In Connecticut house general elections, the candidate who raised the most money won 75% of the time. The percentage of races where winners outraised opponents by a ratio of more than 5-to-1 in general elections (comparing to the best funded losing candidate) was 52%.

Connecticut house winners outraised all opponents in both primary and general by a ratio of 1.42 to one.

In Connecticut house races, the candidate who raised more than all their opponents combined won 70% of the time.

In Connecticut house races, the candidate who raised more than either their best funded primary or general opponent won 74% of the time. The winning candidate outraised their best funded opponent in both the primary and general election by a ratio more than 5-to-1 47% of the time.

In Connecticut senate general elections, the candidate who raised the most money won 72% of the time. The percentage of races where winners outraised opponents by a ratio of more than 5-to-1 in general elections (comparing to the best funded losing candidate) was 50%.

Connecticut senate winners outraised all opponents in both primary and general by a ratio of 1.47 to 1.

In Connecticut senate races, the candidate who raised more than all their opponents combined won 69% of the time.

In Connecticut senate races, the candidate who raised more than either their primary or general opponent won 72% of the time. The winning candidate outraised their best funded opponent in both the primary and general election by a ratio more than 5-to-1 47% of the time.

Only 2% of all Connecticut funds came from contributions greater than \$250. A full 78% came from public funds and 20% was raised in amounts under \$250.

In 2006, prior to the Fair Elections program, less than half of the contributions made to political candidates came from individuals. In 2006, nearly half of the \$9.3 million raised by candidates came from lobbyists, political committees (PACs), and other entities.

In the 2008 legislative elections, an extraordinary 97% of contributions came from individuals. With the bulk of these contributions arriving as qualifying contributions for candidates participating in the Citizens' Election Program, those contributions did not exceed \$100.

Four candidates won in Connecticut after raising no money at all.

In 60 out of 151 house races (or 40%), the winner faced no opposition or an opponent who raised no money in the general election. This accounts for that vast majority of races where winners outspent opponents by high margins. As familiarity with the Fair Elections program grows, experience in Maine and Arizona suggests this number will likely decline in the future.

**Maine – Highest bidders lose as often as they win**

In Maine house general elections, the candidate who raised the most money won 56% of the time. The percentage of races where winners outraised opponents by a ratio of more than 5-to-1 in general elections (comparing to the best funded losing candidate) was 16%.

**Maine house winners actually spent *less* than all opponents in both primary and general elections, raising 98% of what their opponents did.**

In Maine house races, the candidate who raised more than all their opponents combined won 48% of the time.

In Maine house races, the candidate who raised more than either their best funded primary or general opponent won 56% of the time. The winning candidate outraised their best funded opponent in both the primary and general election by a ratio more than 5-to-1 16% of the time. In Maine, no losing primary opponent outraised the winning candidate.

In Maine senate general elections, the candidate who raised the most money won 63% of the time. The percentage of races where winners outraised losers by a ratio of more than 5-to-1 in general elections (comparing to the best funded losing candidate) was 14%.

Maine senate winners raised 99% of what all their opponents in primary and general elections combined raised.

In Maine senate races, the candidate who raised more than all their opponents combined won 57% of the time.

In Maine senate races, the candidate who raised more than either their primary or general opponent won 63% of the time. The winning candidate outraised their best funded opponent in both the primary and general election by a ratio more than 5-to-1 11% of the time.

Only 6% of all Maine funds came from contributions greater than \$250. A full 86% came from public funds and 8% was raised in amounts under \$250.

### **Arizona -- A more level playing field than California's**

In Arizona house races, two candidates win in each district. The two winning candidates were the top two fundraisers in the 2008 general elections only 47% of the time.

The winning Arizona house candidate with the least funds outraised the losing candidate who had the most funds by a ratio of more than 5-to-1 17% of the time (5 out of 30 districts, with three of these being uncontested general elections).

Including both primary and general elections combined, the two winning candidates in each district out-raised their best funded opponent only 37% of the time. The least-funded

winning candidate out-raised their best funded opponent by a ratio of more than 5-to-1 in both the general and primary only 7% of the time (2 of 30 districts).

Winners outraised opponents by a ratio of 1.24 to 1 in combined primary and general elections.

In Arizona senate general elections, the candidate who raised the most money won 80% of the time. The winning candidate outraised their general election opponent by a ratio of more than 5-to-1 40% of the time.

In Arizona senate races, the candidate who raised more than either their primary or general opponent won 80% of the time. The winning candidate outraised their best funded opponent in both the primary and general election by a ratio of more than 5-to-1 33% of the time.

In Arizona senate races, the candidate who raised more than all their opponents combined won 73% of the time.

Arizona Senate winners outraised losers by a ratio of 1.37-to-1.

## **Methodology**

This analysis used data from the National Institute of Money in State Politics for contributions to state candidates in 2008. Data for California Independent expenditures are from the California Fair Political Practices Commission.

The analysis includes non-contested races and races where an opponent raised no money. One reason why many candidates do not have an opponent is due to the financial advantage that they wield and the perception on a potential challenger's part that they could not raise enough money to be competitive.

Ideally we could compare funds raised only during the primary cycle to get a more precise measure of how often fundraising success correlates with victory in the primaries, but our data set does not facilitate this. By combining primary and general election spending, we get a lower bound on how prevalent the role of fundraising is, because some candidates can raise more than a primary opponent over the course of both the general and primary elections but not have necessarily had a fundraising advantage during the primary.

Funds raised figures include only funds raised during that cycle, not past funds carried forward. Not all funds raised were necessarily spent, as some could have been saved for future races. And, some candidates may have spent more than they raised in a cycle by dipping into previously acquired war chests.

For Arizona house races, we did not calculate what all opponents spent since two candidates win in each district and they may or may not have been opponents to each other.

Figures on the percentage of funds coming from private donors greater than \$250, under \$250, and from public financing came directly from the National Institute of Money in State politics website.

This analysis does not include independent expenditures in Arizona, Connecticut, and Maine. We hope to update this analysis in the future to do so.

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<sup>i</sup> According to a survey by the Public Policy Institute of California from March 2010