

## Movers, shakers, and moneymakers

*How Portland's leading mayoral candidates are stacking up financially in return to high-priced races*  
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The 2012 Portland mayoral primary campaigns started earlier than usual (in the spring of 2011) when two candidates, Eileen Brady and Charlie Hales, formed their political action committees in anticipation of facing Mayor Sam Adams's reelection bid. Comparatively, when Tom Potter ran for mayor in 2004 his first contribution came on September 29, 2003 even though his major opponent was a City Council member, Jim Francesconi, with significant fundraising capacity.

Taking on an incumbent is tough so presumably Brady and Hales perceived Mayor Adams as more vulnerable than typical Portland incumbents. As reported by Willamette Week in January 2004, City Council incumbents had lost only five times in 121 contests since 1970. After Mayor Adams' announcement that he wouldn't run for re-election another candidate, Jefferson Smith, entered the race.

Though there are other mayoral candidates this analysis will focus on Brady, Hales, and Smith. This article focuses on these three, because, like it or not, the political reality is that viability is linked to fundraising capacity. Brady has raised the most money, \$447,085 as reported through Jan. 2, followed by Hales who has raised \$249,037, and Smith with \$155,358. Hales and Smith have spent less money so their cash availability is \$110,466 and \$104,258, respectively, compared to Brady's \$147,959 campaign liquidity. (See Table 1.)

Smith started later than Brady and Hales, hence his current third place spot in the fundraising race. That Smith has capacity to catch up with his opponents is indicated by his fundraising per day average of \$1,425 compared to daily fundraising averages of \$1,796 and \$1,107 of Brady and Hales. (See Table 1.) These daily averages also indicate the role that fundraising plays in how candidates spend their time.

**Table 1 – Fundraising Summaries of 3 Major Portland Mayoral Candidates as Reported Through January 2<sup>nd</sup> \***

Candidate	Established PAC	Campaign Days	Total Contributions	Fundraising per day	Cash Available
Eileen Brady	April 29, 2011	249	\$447,085	\$1,796	\$147,959
Charlie Hales	May 23, 2011	225	\$249,037	\$1,107	\$110,466
Jefferson Smith	Sept. 16, 2011	109	\$155,358	\$1,425	\$104,258

\*PAC equals political committee. Regarding Jefferson Smith the date noted is when he switched his legislative fundraising committee to a focus on the mayor's race. The number of days in the campaign are through January 2<sup>nd</sup>, which is the date contribution data in this table and the rest of this article was downloaded from ORESTAR. Contribution figures include cash and in-kind donations and any loans received.

Both Eileen Brady and Jefferson Smith supported Voter-Owned Elections, the campaign finance reform program available to Portland candidates in 2006 through 2010. Portlanders voted out this alternative to private money fundraising by a narrow margin in November 2010. In order for mayoral candidates to qualify for that reform program, they needed to collect at least 1,500 five dollar contributions. An emphasis on garnering support from many small dollar donors is reflected in these candidates' post-reform program private money fundraising. Brady has raised

money from an estimated 1,320 contributors followed by estimates of 828 contributors to Smith’s campaign and 473 contributors to Hales’ campaign. (See Table 2.)

The catch is that contributions in amounts of \$100 or less, even though they come from many people, comprise relatively small percentages of total fundraising. As reported through Jan. 2, 20 percent of Smith’s total contributions come from an estimated 634 donors giving \$100 or less. This category of small dollar contributions from an estimated 868 donors comprises 10 percent of Brady’s total fundraising. Contributions of \$100 or less from an estimated 330 donors comprise 7 percent of total contributions to Hales’ campaign. (See Table 2.)

The domination in 2012 of total fundraising by big contributions indicates a return to a pattern seen prior to the Voter-Owned Elections era from 2006 through 2010. During the 2004 election cycle, 69 percent of the money city candidates raised came from only 602 contributors who wrote checks of \$1,000 or more. This small number of contributors represented just 7 percent of total donors.

This pattern has returned to the 2012 mayoral contest with 67 percent of fundraising thus far by Brady, Hales, and Smith coming from just 226 contributors writing checks of \$1,000 or more with this small number of donors representing, thus far, just 9 percent of total contributors.

Fundraising by Hales is particularly dominated by contributors giving \$1,000 or more with those dollars from just 45 donors comprising 80 percent of total contributions. In Brady’s campaign, contributions of \$1,000 or more from 122 donors add up to 65% of her total fundraising. Thus far, the Smith campaign is less dominated by large donors with money from 59 donors giving \$1,000 or more, comprising 52 percent of his total contributions. (See Table 2.)

**Table 2 – Fundraising by Three Contribution Size Groups as Reported Through January 2<sup>nd</sup>: Dollar Amounts and %s of Total Fundraising and #s of Contributors**

<b>Candidate</b>	<b>Contributions \$1,000 and up</b>	<b>Contributions \$101 to \$999</b>	<b>Contributions of \$100 or less*</b>	<b>Total Fundraising</b>
Eileen Brady	\$291,425	\$111,801	\$43,858	\$447,085
	65%	25%	10%	100%
	122 contributors	330 contributors	868 contributors	1320 contributors
Charlie Hales	\$199,010	\$33,282	\$16,744	\$249,037
	80%	13%	7%	100%
	45 contributors	98 contributors	330 contributors	473 contributors
Jefferson Smith	\$80,614	\$42,890	\$31,855	\$155,358
	52%	28%	20%	100%
	59 contributors	135 contributors	634 contributors	828 contributors

\*Contributions of \$100 or less do not have to be itemized by individual donor. Rather those contributions are reported as aggregated dollar amounts. This means it is impossible to know exactly how many donors are giving in the contribution category of \$100 or less. But an estimate can be determined by assuming that each of these small donations is \$50. Total contributor numbers are derived by adding the numbers of itemized contributors with estimates of numbers of those making contributions of \$100 or less.

Top contributors to Brady, Hales, and Smith are summarized in Tables 3 through 5.

The top 20 contributors to Brady comprise 36 percent of her total fundraising. Brady's largest contribution is \$35,508 from the estate of Brian Rohter's mother. (Rohter is Brady's husband.) Brady has also received seven contributions of \$10,000 including a check from Brady's own pocketbook. (See Table 3.)

**Table 3 – Top 20 Contributors to Eileen Brady as reported through January 2, 2012**

<b>Contributor</b>	<b>Contributions*</b>	<b>Percentage</b>
Catherine H. Rohter Living Trust (Eileen Brady is married to Brian Rohter and this trust is from his mother's estate.)	\$35,508	9.81%
Christy Eugenis, Eileen Brady, Familycare Inc, Frank Foti, PM Financial Services, LLC, Stan Amy, and Steven McGeady	\$10,000 each	2.24% each
Celilo Group Media	\$8,516	1.90%
Emily's List Federal Fund (supports women candidates), Freeway Land II, Regence Oregon PAC (Blue Cross Blue Shield/Regence),The Standard (Standard Insurance)	\$5,000 each	1.12% each
Lake Enterprises LLC	\$4,520	1.01%
Stephen Babson	\$4,500	1.01%
Sam Tannahill	\$3,720	0.83%
Wayne Kingsley	\$3,550	0.79%
John von Schlegell and Warren Rosenfeld	\$3,500 each	0.78% each
Shaker Square LLC	\$3,000	0.67%
<b>Top 20 Contributors Sub-total</b>	<b>\$160,314</b>	<b>36%</b>
<b>Contributions of \$100 or less</b>	<b>\$43,858</b>	<b>10%</b>
<b>Remaining Contributions</b>	<b>\$242,913</b>	<b>54%</b>
<b>Total Contributions</b>	<b>\$447,085</b>	<b>100%</b>

\* Contribution figures include cash and in-kind donations and any loans received.

The top 20 contributors to Hales comprise 69 percent of his total fundraising. Hales has received two contributions of \$25,000 each from investment fund manager David Nierenberg and construction company Stacy & Witbeck. James Kelley, founder of Rejuvenation House Parts, gave \$20,000 while real estate investor Albert Solheim gave \$10,100. Hales has received four contributions of \$10,000 each. (See Table 4.)

**Table 4– Top 20 Contributors to Charlie Hales as reported through January 2, 2012**

<b>Contributor</b>	<b>Contribution*</b>	<b>Percentage</b>
David Nierenberg and Stacy & Witbeck, Inc	\$25,000 each	10.04% each
James Kelly	\$20,000	8.03%
Albert Solheim	\$10,100	4.06%
Barbara Hall, Candace Young, Melvin Mark, and The Greenbrier Companies	\$10,000 each	4.02% each
Squishymedia	\$6,910	2.77%
John Carroll, Michael McCulloch, Nancy Hales, Pat Ritz, Tim Boyle, and Williams/Dame & Associates, Inc.	\$5,000 each	1.12% each
Michael Powell	\$3,000	1.20%
Carter MacNichol, Columbia Cascade Company, Josephine Pope, Robert Walsh, and Victor Rhodes	\$2,500 each	1.00%
<b>Top 20 Contributors Sub-total</b>	<b>\$172,510</b>	<b>69%</b>
<b>Contributions of \$100 or less</b>	<b>\$16,744</b>	<b>7%</b>
<b>Remaining Contributions</b>	<b>\$59,783</b>	<b>24%</b>
<b>Total Contributions</b>	<b>\$249,037</b>	<b>100%</b>

\* Contribution figures include cash and in-kind donations and any loans received.

Smith's campaign has 11 contributors whose donations ranged from \$1,020 to \$10,000 followed by 48 donors who each wrote checks of \$1,000. Table 5 focuses on what are, thus far, Smith's smaller numbers of major donors compared to Brady and Hales. The financial support of Smith's top 11 donors comprise just 6 percent of his total fundraising.

**Table 5– Top 11 Contributors to Jefferson Smith as reported through January 2, 2012**

<b>Contributor</b>	<b>Contribution</b>	<b>Percentage</b>
Susan Burmeister-Brown	\$10,000	6.44%
Stephen Luczo	\$6,000	3.86%
Megan Hull	\$5,000	3.22%
William Taylor	\$2,500	1.61%
Jon Shirley	\$2,000	1.29%
O'Neill Electric	\$1,800	1.16%
Katy Smith	\$1,104	0.71%
Ken Hayes	\$1,100	0.71%
Scott Duncombe Web Design	\$1,050	0.68%
Matthew Coleman	\$1,040	0.67%
Cortlandt Coffee	\$1,020	0.66%
<b>Top 11 Contributors Sub-total</b>	<b>\$9,114</b>	<b>6%</b>
<b>Contributions of \$100 or less</b>	<b>\$31,855</b>	<b>20%</b>
<b>Remaining Contributions</b>	<b>\$114,389</b>	<b>74%</b>
<b>Total Contributions</b>	<b>\$155,358</b>	<b>100%</b>

Candidates have friends and connections that often cross city and state lines so contributions from outside of Portland and Oregon shouldn't be a big surprise. Hales has the largest percentage of contributions thus far coming from outside of Oregon at 31 percent from donors in five other states; most of that support has come from Washington. Twenty-nine percent of Smith's fundraising to date comes from fourteen other states. Brady's fundraising includes 12 percent from donors in twelve other states.

Campaigns are not required to list the name or address of contributors who give \$100 or less; therefore this geography analysis includes a location unknown category. Given that Smith's fundraising in this category is higher than his counterparts' more of his donors cannot be identified by location. If all the small donors, however, are Oregonians his percentage of fundraising from within the state increases to 71 percent. Not all Oregon donors, however, are from Portland. Reflecting Smith's service on the state legislature, a lower percentage of his itemized Oregon donors could be from within the city compared to Brady and Hales. (See Table 6.)

**Table 6 – Contribution Percentages by Location**

<b>Candidate</b>	<b>Outside of Oregon</b>	<b>Location Unknown*</b>	<b>Oregon</b>	<b>Oregon if all unknowns are Oregon</b>	<b>Portland Subset of Oregon</b>
Eileen Brady	12% - 13 states	9%	78%	88%	67%
Charlie Hales	31% - 5 states	6%	63%	69%	47%
Jefferson Smith	29% - 14 states	20%	51%	71%	40%

\*Unitemized contributions of \$100 or less does not include a donor's name and address so not all contributions can be identified by location. Due to rounding percentages may not add up to 100 percent.

Double giving is when one donor gives financial support to two or more candidates in a race.

Thus far in 2012 mayoral fundraising, 20 contributors have hedged their bets and make contributions to more than one candidate. Some of the “double giving” to Smith could be due to his later entry in the race. Nevertheless this trend is troubling given that the contributions seem to be more about ensuring future access more than dedicated support for one candidate. Two donors gave contributions to all three candidates that totaled \$4,750. Ten donors gave \$28,100 to Brady and Hales while another 8 contributors gave \$9,205 to Brady and Smith. (See Table 7.)

**Table 7 – Double Giving to Mayoral Candidates by 20 Contributors**

<b>Contributions to Brady, Hales and Smith</b>	<b>Contributions to Brady and Hales</b>	<b>Contributions to Brady and Smith</b>	<b>Contributions from Double Givers as % of Total Fundraising</b>
2 contributors	10 contributors	8 contributors	Brady – 4.2%
\$4,750	\$28,100	\$9,205	Hales – 7.2%
			Smith – 3.4%

Some double givers donate the same amount to each candidate. For example, William Dickey who owns a printing company used by many political campaigns has given \$500 each to Brady, Hales, and Smith. The other triple giver, James Winkler of Winkler Development has, thus far, given \$2,500 to Brady, \$500 to Hales, and \$250 to Smith. The most lopsided double giver is railroad car manufacturer, Greenbrier Company, who gave \$10,000 to Hales and \$1,250 to Brady.

The \$42,055 in contributions to multiple candidates from double givers comprises 4.2 percent of Brady’s fundraising as reported through January 2, 7.2 percent of fundraising by Hales, and 3.4 percent of Smith’s fundraising thus far. These are lower percentages of the double giving seen in the 2004 contest between Sam Adams and Nick Fish where the percentage of fundraising from donors who gave to both Adams and Fish ranged from 8.6 percent of primary fundraising by Adams to 12.8 percent of general fundraising by Fish. Regardless of the level of double giving, this contribution pattern seems designed to ensure access no matter who wins and is a trend that merits continued analysis as 2012 mayoral fundraising continues.

The emphasis on support from small dollar donors seen in fundraising by Brady and Smith is laudable. Overall, though, this analysis of 2012 mayoral fundraising looks like an unfortunate return to Portland campaigns dominated by a small number of major donors. Though this may not be the intent of the mayoral candidates, this is the current reality of fundraising in political campaigns.

### **SIDEBAR #1 Election fundraising In Oregon**

Oregon candidates in state and local elections can accept campaign contributions of any size from any source. This is in contrast to federal campaigns where contributions from individuals are limited to \$2,500 while political action committees can only give \$5,000 per election. Direct contributions from corporate treasury dollars to federal candidates are banned.

Independent expenditures are when individuals or groups spend money on advertising without consultation of the candidate they support. Even before the U.S. Supreme Court's *Citizens United* decision independent expenditures could be made by individuals and political action committees. The door opened by *Citizens United* is that independent expenditures in support or opposing federal candidates can be made using corporate treasury dollars.

Independent expenditures in Oregon are relatively rare in state and local campaigns since there are no limits on direct contributions to candidates.

Campaign contributions and expenditures are reported electronically by campaigns to the Secretary of State and put into a searchable online database called ORESTAR. Each contribution and expenditure must be reported within 30 days and within 7 days in the six weeks prior to an election. This continuous reporting means that the data downloaded from ORESTAR on January 2, 2012 for this article will have changed by the time of publication.

### **SIDEBAR #2 Portland money in politics**

City Council elections have typically fallen into two categories depending on the presence of an incumbent. When an incumbent runs again the race there are frequently no viable challengers. The occasional open seat contests are typically fundraising contests between two or three major candidates.

The last three open seat mayoral races were in 2008 between Sam Adams and Sho Dozono, in 2004 between Tom Potter and Jim Francesconi and in 1992 between Vera Katz and Earl Blumenauer. Spending was reduced in 2008 compared to previous open seat mayoral primaries due to Voter-Owned Elections. Though Dozono and Adams did not opt into the public funding reform program, they both voluntarily agreed to limit the size of contributions and spending. It is too early to tell how 2012 mayoral primary spending will compare to these previous open seat contests since campaign spending will pick up its pace closer to the May 15, 2012 primary.

Voter-Owned Elections, officially called the Campaign Finance Fund program, was in place for the 2006 through 2010 elections. Its retention was narrowly defeated by Portland voters in November 2010. The major opponent last November was the Portland Business Alliance, which had also tried to qualify a repeal initiative to the May 2006 ballot. The Portland Business Alliance and its allies in opposing reform gave \$595,578 to city candidates in 2004 either directly or through affiliated businesses. These contributions came from only 100 entities but represented 20 percent of total political fundraising in the 2004 election season.