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## Transparent Politics or Empty Legislation?

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# **Transparent Politics or Empty Legislation?**

**The Bipartisan Campaign Reform Act and Its Effect on Congressional Elections**

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**Political Science Research Honors**

## Abstract

The Bipartisan Campaign Reform Act (BCRA) was passed in 2003 as a way to clean up and make transparent the way in which congressional elections are funded. The legislation succeeded in banning soft money from the election process, however fell short of closing the gap between incumbents and challengers and clearing up the process. Using data from the Federal Election Commission this project analyzes the total receipts, contributions from parties and PACs, and, most importantly, the proportion of small donors for five traditionally Democratic districts, five traditionally Republican districts, and five districts that have been highly contested in recent elections. Using this data, the paper concludes that BCRA did not have an effect on congressional elections.

In 2002, Congress passed the Bipartisan Campaign Reform Act (BCRA), hoping to forever change the manner in which federal elections are financed. Senators John McCain (R-AZ) and Russ Feingold (D-WI) and Representatives Chris Shays (R-CT) and Martin Meehan (D-MA), the co-sponsors of the bill in the Senate and House, respectively, hoped to ban soft money contributions, limit hard money contributions, limit individual and political action committee contributions, limit broadcast advertising, limit independent and coordinated expenditures, even the playing field against self-financed candidates, and set fundraising laws for both candidates and nonprofit groups (CQ Almanac 2002). Furthermore, BCRA provided campaign finance law in America with sharper teeth, enacting stiffer penalties for breaking the law.

Obviously, a piece of legislation with the impact of BCRA carried with it some controversy, leaving politicians on both sides of the aisle crying out. The magnitude of the law and the controversy surrounding it brought a lawsuit to the U.S. Supreme Court in short order; in a five to four decision, BCRA was upheld in the 2003 case of *McConnell v. FEC* (CQ Almanac 2003). In the decision, the Court concurred with the 1976 decision *Buckley v. Valeo*, which upheld limits on campaign contributions.

However this project is not about the manner in which the Bipartisan Campaign Reform Act was enacted or the battle that raged through the federal court system; rather, this project seeks to determine whether or not BCRA had an effect on congressional elections, and if so, the nature of the effect. Specifically, this project will focus on what changes in small donors occurred after the passage of the legislation. The reason for this is that the rising proportion of small donors can act as a means to measure the effect of the new law. Small donors are the most important means of measuring the effects of BCRA for two reasons. First, more small donors means that candidates were forced to find alternative ways to raise necessary amounts of money,

instead of soliciting from huge donors and PACs. Second, having more small donors accomplishes what lawmakers were attempting to do – make the electoral process seem cleaner – by getting more people involved and fewer special interests. The rest of this paper will proceed first with a review of the literature regarding BCRA and campaign finance reform in general; second will be a list of hypotheses and methodology of how the data were collected; third will be a presentation of the data on fifteen congressional districts from across the country; fourth will be analysis of the data, followed by a conclusion to bring the different pieces together. This paper will strive to clearly determine what type of effect, if any, BCRA had on congressional elections.

## **Literature Review**

For a piece of legislation with such perceived far reaching impact as the Bipartisan Campaign Finance Reform Act, there is surprisingly little written on the effects that the law has actually had on elections. The most obvious reason for this is that BCRA has only been in effect for two election cycles: the presidential election of 2004 and the midterm election of 2006. Thus, there is not a very long history of elections under the new law that we can compare to the pre-BCRA era. Nonetheless, a substantial amount of literature has appeared since the passage of the Federal Election Campaign Act of 1971 (FECA). This paper will begin by examining literature regarding data from recent elections, followed by the theory behind campaign finance laws.

Richard Briffault writes in his article “Public Funding and Democratic Elections,” that FECA had very little effect on the electoral process, and that the system of campaign finance laws was “in a state of disarray” (1999, 563). He argues that the overarching reason for this problem is our failure to create an environment that fosters purely democratic elections. In

support of this argument, Briffault points to the advantages that incumbents enjoy, such as franking privileges and unlimited flights back to the district, which create a situation in which there is hardly a competitive race. Furthermore, Briffault argues that large donors had a disproportionate effect on elections even after the passage of FECA. To add to the perceived need of new legislation, “noncandidate soft money and issue advocacy spending rivals and often exceeds spending by the candidates,” this means that individual contributors have very little effect in financing campaigns (Magleby and Monson, 2003, 401). Indeed, in a survey conducted by the authors, it was found that “voters in battleground environments blame the parties and interest groups for the greater negativity in campaigns” (401). Although this article analyzes an election before the passage of BCRA, it is important to notice what the biggest problems were before passage in order to see if those problems were alleviated.

Joseph Graf (2006) wrote in “Donors and Fundraising in the 2004 Presidential Election” that BCRA has made the presidential election process more democratic by raising the ability of small donors to make a difference. Graf found increases from 20 percent to 37 percent on the Democratic ticket from 2000 to 2004 and 16 percent to 31 percent on the Republican ticket from 2000 to 2004 among those who contributed \$100 or less, those who donated online, and those who were giving for the first time in 2004 (2006 35-36). However, Graf does admit that large donors did have an influence by bundling many peoples’ contributions. In fact George W. Bush raised 26 percent of his total receipts this way and John Kerry raised nearly 17 percent through bundling (2006 36-37). Nonetheless, Graf does conclude that small donors were the most important difference for the first presidential election after the passage of BCRA, although it is unclear whether the cause of the spike in small donors is from the passage of the legislation or the incorporation of the Internet into politics.

Thomas Mann even believes that the passage of FECA spurred small donors to rise in importance. The more interesting pieces of his literature, and the literature in general, were the theoretical stances taken in his literature review. Mann focuses especially on Money in Elections by Louise Overacker. In this book, Overacker argues that the goal of campaign finance laws should be to “ensure that each candidate at least has a chance to bring his case before the voters” (2003, 70). He next looks at The Costs of Democracy by Alexander Heard. Heard writes that more, not less money is needed in elections and that it is the voters, not money, that drive policy (2003, 70).

J. Tobin Grant, Thomas Rudolph, and Paul Herrnson go even deeper into the theory behind campaign finance reform laws and the voters’ reactions to such legislation. Grant and Rudolph write that “citizens’ commitment to the values of expression and equality in the campaign finance system is shaped by their feelings toward those whose rights and influences are perceived to be at stake” (2003, 465). Thus, if an interest group or candidate that the citizen supports is unable to speak because of campaign finance laws, the citizen will be more apt to cry out. Second, the two scholars found that the “effects of group affect were smaller when campaign finance was framed as an issue of expression and rights than when it was framed in terms of equality and influence” (2003, 465). Not only does this make a case that framing the issue makes an important difference, but it also is encouraging for democratic theory, according to Grant and Rudolph, because it shows that people do not often think like other people when discussing rights. Third, the study brings new insight “into the question of how citizens resolve conflicts between competing democratic values when forming their policy attitudes” (465). Indeed, the survey points to the idea that people make certain conflict resolution decisions based on democratic values. Finally, Herrnson also adds in his book that demographic differences can

have a profound effect on what people think about campaign finance reform, just as race and gender affect thoughts on other issues (2004, 285).

Herrnson goes on in his book to forecast what effects BCRA will have on political parties, interest groups, candidates, and the public. In first discussing political parties, Herrnson believes that Republicans will benefit more than Democrats, even though Republican outcry has been much louder. He believes this will be the case because it will “further reinforce the candidate-centered nature of congressional elections,” and Republicans are more likely to give more money with the increased contribution limits of BCRA (2004, 293, 296). In discussing interest groups, Herrnson points out four key impacts. First, the elimination of soft money will force interest groups into additional means of influence other than pumping up political party coffers. Second, lower levels of incoming money will make it a necessity for interest groups to become better organized. Third, the prohibition of using outside money for issue advocacy advertisements during certain times of the election season may force some groups out of issue advocacy altogether. Finally, the act will allow more groups to sprout up, as the money will be forced to more groups. However, through all of this, Herrnson does not believe that the public will be swayed by the new legislation. He argues that they will see news stories about fancy fundraising galas and high levels of campaign spending and assume nothing has changed.

It is reasonable to assume that Richard Briffault still believes that the electoral process could be more democratic. If this is true, there are three ways to make elections more democratic. The first option is to deregulate all campaign contributions (1999, 564). While this would eliminate any illegal practices and take away the effect that lawyers have on elections by finding holes in current legislation, it would give large donors an even greater impact on elections, which is one of the aspects of federal election law that needs to be fixed (1999, 564).



The second option is to pass a bill such as BCRA, then known as the Shays-Meehan Bipartisan Campaign Reform bill. This would plug the holes left in FECA, such as eliminating soft money and issue-advocacy expenditures (1999, 564-565). However, while this option slows down interest groups, it does nothing to aid challengers. The third option, and the option that Briffault advocates adopting, is public funding. Public funding would eliminate all advantages that incumbents have and take away the influence of wealthy donors. However, Briffault does not address in detail how the government would finance this. Instead, Briffault does not offer a plan, but rather says that public funding can work if the public really wants our elections to be democratic (1999, 566).

The nature of party and PAC contributions is an important piece of information to understand if one is trying to determine if a law had an effect on the way the two institutions work within campaigns. The literature on the subject is almost completely in agreement. Both Paul Herrnson (1986) and the team of Joel Thompson and William Cassie (1992) agree that party organizations have gotten stronger, at least in the interim period between FECA and BCRA, and that they favor incumbents in need of help and challengers who need backing in order to put up a strong fight. Thompson and Cassie go on to profile PACs and come to the conclusion that PACs contribute in a similar fashion to parties, favoring incumbents. Janet Grenzke (1989), also writing before the passage of BCRA found that PACs favor incumbents as well, though she expanded on that theory by finding a statistically significant relationship between PAC contributions and the power the congressman. Thus Grenzke found that the more power the congressman has, the more likely he or she will gain PAC support.

However, because incumbents expect support from their parties and PACs, it would lead one to believe that congressmembers do not want to regulate the manner in which they can raise

money for campaigning. Bruce Bender (1988) used logit regression analysis to find that the “likelihood of voting for a given ceiling varies directly with the implied change in reelection probability under the ceiling and is quite sensitive to the implied change” (1005, 1988). That is to say that the shakier the congressman’s footing is in the district, the less apt he or she will be to vote for campaign finance reform because it presumably would level the playing field for possible challengers. Furthermore, Ruth Jones (1981) found that minority parties would be more likely to gain an advantage from public funding programs, at least at the state level. Therefore, her research lends further credence to those who believe congressmembers are rational actors and would not want to hinder their ability to raise money and get reelected.

The literature to date adequately examines theories behind campaign finance law, the effect that FECA had on the landscape, and the effect BCRA had on the presidential election of 2004; however, BCRA’s effect on congressional elections has not been fully treated by scholars. It is in that niche that this paper will attempt to place itself. The project will continue by using data to determine the effect that BCRA had on congressional elections.

### **Hypotheses and Methodology**

This project will now embark on an attempt to answer the question of whether or not the Bipartisan Campaign Reform Act had an effect on congressional elections through cross-time comparisons of each of the fifteen districts being analyzed. The fifteen districts were chosen for the way they represent the nation at large. There were five solidly Democratic districts chosen from a variety of regions and with varying levels of urbanicity. There were five solidly Republican districts chosen as well, using similar methods to ensure a representative sample. The last five districts were chosen for their competitiveness. These districts are also representative of

the nation, though they are known to be highly competitive districts for a variety of reasons. The hypotheses will be split up into three sections: one each for the Democratic districts, Republican districts, and swing districts.

In order to choose the districts for the first two sections, I examined different regions that are common strongholds of Republicans or Democrats, such as the Deep South and the Pacific Northwest, respectively. I then chose a variety of different levels of urbanicity for each, paying special attention to large cities for the Democratic districts, as they are historically left-leaning. I then utilized CNN's website because their election archive is second to none, as the website has election results stored going back as far as was necessary for the project. I attempted to choose districts that had a steady stream of viable challengers, though in some years and some districts this was impossible. The reasoning for this is that BCRA would have no effect on a district in which the incumbent does not have to run against anyone. The swing districts were chosen in much the same way. I looked first at districts that I knew to be battleground districts in the most recent election of 2006 and looked at the history of the district in the three previous elections. Again, I made sure to get a wide range of different regions and levels of urbanicity. Different regions and levels of urbanicity are important because BCRA will presumably have a different effect in New York City than it will in Cheyenne, Wyoming.

These fifteen districts encompass a variety of different types of media markets which does hinder the ability to compare the districts in terms of overall receipts. Larger media markets will force candidates to raise more money in order to compete on the airwaves while candidates running in smaller media markets will not need to raise as much. Furthermore, population density plays a role in the amount of money needed to run a successful campaign; districts with less dense populations need more money to canvass a larger population area more often than not.

To address these limitations, the paper will focus specifically on the percentage of small donors instead of total receipts, or any of the other variables illustrated here. The other statistics will be listed and discussed because, while there is a disparity between the need of money from district to district, it is nonetheless important to see the change within the district after the passage of BCRA.

For all three sections, the same variables will be examined for both challengers and incumbents in four different elections: the presidential elections of 2000 and 2004 and the midterm elections of 2002 and 2006. The first variable is the difference in the proportion of small donors before and after the passage of BCRA. Second and third will be the gap between the incumbent and challenger at the ballot box and in fundraising. Fourth will be the size of party contributions, and fifth will be the size of PAC contributions. Furthermore, any improprieties will be noted and taken into account.

#### *Democratic Districts*

The five solidly Democratic districts to be analyzed are the Washington 2<sup>nd</sup>, the Iowa 3<sup>rd</sup>, the California 42<sup>nd</sup>/43<sup>rd</sup>, the South Carolina 6<sup>th</sup>, and the Massachusetts 1<sup>st</sup>. Although the five districts are obviously very different in terms of race, urbanicity, and region, the party identification and ideologies are very similar. According to the literature, the number of small donors exploded after the passage of BCRA because the law forced candidates to find means other than soft money to finance their campaigns. Thus, the hypothesis for the first variable is that small donors went up for both challengers and incumbents in both the presidential election of 2004 and the midterm election of 2006, compared to their counterparts in 2000 and 2002, respectively.

In terms of the gap between challengers and incumbents in the polls and in fundraising, the hypothesis is that the literature is correct and BCRA did little to even the playing field at the ballot box or in the coffers. The law forced incumbents to no longer use soft money for issue advocacy and possibly lose some support from the party; but for the challenger, losing party support has a much larger impact because they likely do not have the same donor lists that the incumbent has compiled over the years. And without the gap closing in fundraising, it is difficult to impossible to close the gap on Election Day. Thus, it is hypothesized that the law did not level the playing field between incumbents and challengers.

For challengers, party and PAC donations are keys to beating an incumbent. However, BCRA actually hindered the ability of the party to help a challenger by using soft money to run issue advocacy advertisements. Further, in order to make it seem like there was less special interest involvement in politics, the legislation also limited PACs in their ability to affect an election. However, while it is hypothesized that party donations rose because all of their involvement became reported with the elimination of soft money, special interests did not need to use their PAC to donate and were able to disguise their involvement in the form of 527 groups. Thus, while I hypothesize that party donations should have risen, I believe that PAC donations either decreased or stayed the same.

### *Republican Districts*

The five Republican districts to be analyzed are the Georgia 1<sup>st</sup>, the Utah 3<sup>rd</sup>, the Connecticut 4<sup>th</sup>, the Nebraska 2<sup>nd</sup>, and the California 2<sup>nd</sup>. Although pundits and academics believed that the Bipartisan Campaign Reform Act would aid Republicans more than Democrats, the hypotheses for these districts will be very similar to those for the Democrats. The scholarly

literature did not reflect any difference in the prevalence of small donors after the passage of BCRA between largely Democratic and largely Republican districts, so this project will not hypothesize any. Therefore, it is posited that the proportion of small donors rose for Republicans since BCRA was enacted as well.

The remaining hypotheses, regarding the gap between incumbents and challengers at the polls and fundraising, the size of party donations, and the size of PAC donations are all the same as the above for Democrats. While Republicans are known to raise more money in recent years, these districts are so solidly Republican that the gaps are not going to change very much even with the passage of legislation like BCRA. Furthermore, the Republican Party and traditionally Republican PACs have the same restrictions experienced by the Democratic Party and traditionally Democratic PACs; thus it would not make much sense for there to be a significant difference between the two parties.

### *Battleground Districts*

The battleground districts are the most interesting of the three types. The districts chosen are Indiana 8<sup>th</sup>, New Mexico 1<sup>st</sup>, Connecticut 2<sup>nd</sup>, Illinois 8<sup>th</sup>, and the Georgia 12<sup>th</sup>. Although these districts are very different from the previous ten in their lack of a solid Republican or Democratic base, the hypotheses are not different. The hypothesis regarding small donors for these districts is the same as it was for the Democratic and Republican districts. This is because, while most districts are entrenched in one party's side or the other, these are important districts for the incumbents and the challengers. Both sides must find a way to get their money one way or another. Therefore, we expect the small donor numbers to be even higher for these districts.

For the next two hypotheses, there is little difference from their Democratic and Republican counterparts. The gap between winners and losers at the polls and in fundraising should not change in a significant way. This is for the same reason mentioned above: congressmembers did not give their future opponents any help in writing BCRA. Rather, they made campaigning seem like a cleaner process by closing the soft money loophole.

I also do not expect significant differences in the size of party and PAC donations in comparison to solidly Democratic and Republican districts. The reason for this is that parties and PACs already focused on swing districts because they can change the composition of the Congress. Thus, I hypothesize that party contributions will also increase slightly like their solidly Republican and Democratic counterparts and PAC donations will stay the same because of the saliency of these districts election after election.

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As this project moves into the actual analysis of the fifteen districts, it is important to remember what the main focus of this paper is: small donors. The academic literature uniformly indicates that the proportion of small donors exploded after the passage of BCRA, which would presumably make the public think of elections as a cleaner process. The reason for this is simple: more people will be a part of the process and will not believe that they are associated with a dirty process. Another reason to focus on small donors is that increasing the number of donors to a campaign is an advantage for that campaign. As one's fundraising base expands, not only does it make politics more transparent, but it gives more people a vested interest in the outcome in the election. This will in turn encourage people to work harder to make sure that the candidate they

supported wins. Thus, as we move forward, particular attention is paid to the proportion of total contributors coming from small donors, or those contributing less than \$200.<sup>1</sup>

## **Data Analysis**

In order to properly and systematically analyze the data, this paper will proceed on a district by district basis, looking first at Democratic districts, then Republican districts, and finally the swing districts. For each district, the difference in small donors, total fundraising gap, the gap at the voting box, difference in party contributions and PAC contributions, and finally the difference in the number of contributors will be analyzed between the incumbents and challengers. The data will be compared on a longitudinal basis for each candidate, rather than a comparison of incumbent and challenger for each election. After each section of districts is set forth, it will be determined what type of effect the Bipartisan Campaign Reform Act had on the elections.

### *Democratic Districts*

The first district to be analyzed is Washington's 2<sup>nd</sup> Congressional District. Rick Larsen, the incumbent, faced four different challengers in the four elections to be examined. In 2000, Larsen held a \$466,346 advantage over Koster, raising \$1,548,392 to Koster's \$1,118,046. While Koster held the advantage in party donations at \$47,955 to \$11,000, Larsen dominated in the PAC realm, raising \$652,243 to Koster's \$510,165. Furthermore, Larsen had more total contributors over \$200 at 1310 to Koster's 665, and Koster held the advantage in small donors, raising 22 percent of his war chest through donations under \$200 compared to Larsen raising 18

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<sup>1</sup> For a full treatment of small donor distribution in table form, see the Appendix



percent. However, although the two candidates each held different advantages, it was Larsen who came out ahead at the polls: 51 percent to 49 percent.

In 2002, Larsen held a much larger advantage throughout the different statistics being analyzed over a new challenger. Larsen raised \$1,788,063 in total receipts compared to Smith's \$561,994, for a difference of \$1,226,069. Furthermore, Larsen held an advantage in PAC donations (\$702,069 to \$52,485), party donations (\$8,971 to \$2,000), and number of contributors (1365 to 583). The only statistical advantage held by Smith was in the percentage of total receipts coming from small donors; Smith raised 25 percent in denominations under \$200, while Larsen raised only 19 percent in that manner. However, in the end, Larsen also won where it counts: at the ballot box, by a count of 51 percent to 45 percent.

In the first election after the passage of BCRA, Larsen had solidified his position in the district and faced a weak challenger whom he beat in every category except small donors. He held an overall fundraising advantage of \$1,528,548, helped along by zero donations to the challenger, Sinclair, from either the party or PACs. Furthermore, Larsen received monetary contributions of over \$200 from 1,050 individuals compared to a meager 44 donating to Sinclair. Again, Larsen lost the battle of small donors, raising only 17 percent in donations under \$200 compared to 39 percent for Sinclair. Again, Larsen triumphed at the polls, 64 percent to 34 percent.

Finally, in 2006, we saw more of the same. Congressman Larsen defended his position in the House of Representatives by raising over \$700,000 more than the challenger, Roulstone. The difference in PAC donations is the most glaring, with Larsen raising \$657,840 compared to Roulstone's \$176,645. However, Roulstone did manage to gain more party support than Larsen,

\$2,600 to \$2,523, as well as a higher portion coming from small donors, 15 percent to 11 percent. In the end, Larsen won another convincing majority of the vote, 64 percent to 34 percent.

In looking at the larger picture of the four elections, there is very little evidence to point to in favor of BCRA having any effect on the way the elections panned out. In fact, after the passage of the legislation, Larsen experienced his easiest election in 2004 and, although the gaps in the fundraising categories closed slightly, the margin on Election Day stayed exactly the same in 2006. Thus, in looking specifically at Washington's 2<sup>nd</sup> Congressional District, BCRA did not have any effect on the election after its passage.

The next district to be analyzed is the Iowa 3<sup>rd</sup>. Leonard Boswell is the Democrat who held the seat throughout all four elections being examined in this paper. In 2000, he enjoyed a \$539,431 advantage in total receipts, aided by a huge disparity in PAC donations (\$418,349 to \$3,600) and zero party support for the challenger, Marcus. The challenger did experience a large advantage in small donor contributions, raising 42 percent of his total receipts that way, compared to only 16.7 percent of Boswell's total receipts. In the end, Boswell won in a landslide, 63 percent to 34 percent.

In 2002, the gap closed slightly. Boswell still garnered an advantage in total receipts, though only of \$359,441. Part of the reason for this gap closing was from the party support for his challenger, Thompson, to the tune of \$28,174, compared to only \$9,369 Boswell received from the Democratic Party. Boswell continued to receive a large advantage in PAC donations: \$822,442 to \$326,413. Again, the challenger outstripped Boswell in small donor contributions,

17 percent to only 9 percent. However, the result at the ballot box did not change, with Boswell winning 54 percent to 45 percent.

In 2004, after the passage of BCRA, the gap ballooned again, this time to a difference of \$699,615 in total receipts. The challenger, Thompson again, received no party support this time, and only \$291,971 from PACs compared to \$8,785 from the party and \$832,736 from PACs to Boswell. For the first time, Boswell even won the battle of small donors, raising 15 percent of his total receipts in that manner, compared to 14 percent for Thompson. The election ended the same way it did four years ago, with Thompson losing 55 percent to 45 percent.

In 2006, this was a widely watched race, despite the entrenched nature of Boswell's seat as a long-standing incumbent. The gap in total receipts closed to \$143,180, helped in part to a disparity of \$20,000 from the party for the challenger, Lamberti, compared to only \$4,361 for Boswell from the party. However, Boswell dominated PAC donations again, garnering \$1,272,059 to \$587,091 for Lamberti, as well as having a higher proportion of small donors than the challenger, 11 percent to 9 percent. Despite Lamberti's ability to close the overall fundraising gap, Boswell still was able to walk out of the campaign with a 52 to 46 percent win.

There is some evidence of BCRA having an effect in the Iowa 3<sup>rd</sup>. While the incumbent still held very large advantages in the overall receipts, we see the incumbent move towards small donors. In 2004, Boswell raised a full 6 percent more from small donors than in 2002. While that number went down in 2006, part of that can be attributed to the high profile nature of the election and the sheer number of receipts. However, although there is a slight increase in the percentage of total receipts made up of small donors, there is a history of small donor support, thus this

could just be a slight rise as a part of a larger trend. Therefore, the Iowa Third shows some evidence of BCRA's effect, though nothing incontrovertible.

The third district to be analyzed is the South Carolina 6<sup>th</sup>. James Clyburn is the Congressman who has held the seat through the four elections being examined and faced two different challengers during those elections. In 2000, using an incredible PAC advantage of \$287,356 to \$1,500, Clyburn raised \$548,909 more than the challenger Ellison. The challenger did receive some party help, and in fact received more from the party than Clyburn, \$1,700 to \$500. Ellison also experienced a large advantage in the ratio of small donors, 23 percent to only 6 percent of Clyburn's total receipts. However, on Election Day, it was Clyburn who won in a landslide, 73 percent to 26 percent.

In 2002, the gap in total receipts closed, though one could reasonably assume that the reason for this was that it was not necessary for Clyburn to raise any more money, as the new challenger, McLeod, raised only \$10,223 in total. Of that total, zero dollars came from the Republican Party and zero dollars came from PACs; however 14 percent did come from small donors. The final tally at the polls was 67 percent to 32 percent.

In 2004 and 2006, more of the same followed. The gap in total fundraising rose to \$684,381 in 2004 and then all the way up to \$1,128,252 in 2006. Again, this stemmed from no contributions from either the Republican Party or PACs. By 2006, McLeod did not even garner the support of a single small donor. The one positive that he could take from the experience is that he gained a percentage point on Election Day in both 2004 and 2006, losing 67 percent to 33 percent in 2004 and 64 percent to 34 percent in 2006.

There is absolutely no evidence of any effect from BCRA in the South Carolina Sixth. The challengers who faced Congressman James Clyburn raised embarrassingly small amounts of money and got obliterated at the polls. By 2006, the challenger could not even get help from small donors, a problem that no other candidate we have seen so far has had. Thus it is safe to say that the South Carolina Sixth does not prove that BCRA has had an effect.

The next Democratic district to be examined is the California 42<sup>nd</sup>/43<sup>rd</sup>. The reason it is two districts is because of the redistricting after the 2000 census. However, although the number of the district changed, the incumbent did not and the borders of the district also did not change substantially. The incumbent for all four elections is Joe Baca, who was first elected in 1998. The 2000 election pitted Baca against his most serious challenger out of the four being discussed in this project. Pirozzi, the challenger, raised \$872,094, almost 7 percent from small donors, including \$148,098 from the party and \$319,513 from PACs. Although Baca received only \$12,937 from the party, he did receive over \$1,000,000 from PACs and 16 percent from small donors which allowed him to enjoy a \$756,533 advantage in overall receipts and a 60 percent to 35 percent victory at the polls.

The two elections straddling the passage of BCRA are almost identical in terms of the financial statistics being analyzed here. In 2002, Baca earned a \$484,155 advantage in total receipts and a 67 to 30 percent win at the polls; and in 2004, Baca enjoyed a \$438,432 advantage in total receipts and a 66 to 34 percent win at the polls. In both elections, Baca raised significantly more from PACs which nullified any support his opponent got from the Republican Party. There was also a drop in small donor support for the Republican challenger from 2002 to 2004, going from 57 percent in 2002 to 27 percent in 2004. Baca saw his small donor support diminish from 2000 to 2004, dropping to 10 percent in 2002 and to 9 percent in 2004.

In 2006, little changed in the financial statistics, and the changes that did occur were in the opposite direction expected. Baca built a \$669,546 advantage in total receipts, made possible by a massive difference in PAC donations between the incumbent and challenger. The only change was a small increase in small donors for the two candidates; Folkens, the challenger, raised 32 percent of his total receipts through the support of small donors and Baca received just over 10 percent. However, despite the help from small donors, the result at the poll was never in question, with Baca winning 65 percent of the vote.

Finally, the last Democratic district to be examined is the Massachusetts 1<sup>st</sup>, represented by Congressman James Olver. In both 2000 and 2002, Olver experienced much the same battle financially. He handled the two challengers in overall receipts, by \$500,811 and \$359,276, respectively, and dominated PAC donations as well. However, he got less party support than either challenger, though it is obvious by looking at overall receipts that the Democratic Party decided that he did not need the money. In both elections Olver has raised a substantial amount through small donations, 21 percent in 2000 and 19 percent in 2002. The challenger managed to gather more small donor support in 2000 with 34 percent, though the challenger in 2002 only raised 3 percent through small donations. In both elections, the gap was similar: 69 percent to 30 percent in 2000 and 68 percent to 32 percent in 2002.

The two elections after the passage of BCRA actually show the opposite of what we expected. Olver ran unopposed in 2004 and held a \$612,692 advantage in total receipts over his challenger in 2006, again using a large PAC donation advantage. What is most surprising is that Olver got significantly less of his contributions from small donors: only 12 percent in 2004 and just 8 percent in 2006. In the end, the gap at the ballot box was even larger in 2006 than it was in 2000 or 2002, with Olver taking 76 percent of the vote.

It seems that the Massachusetts 1<sup>st</sup> had a negative reaction to BCRA in comparison to the other Democratic districts and the literature. Olver actually had an easier time raising money through large contributions in post-BCRA elections and keeping astronomically high advantages in total receipts over his challenger in the one election that he even had a challenger. Thus, the Massachusetts 1<sup>st</sup> was associated with a change by BCRA, though in the opposite direction one would expect.

Regarding the hypothesis of total receipts, it is difficult to extrapolate much from only four elections, or even less in some cases. Though from the information available in this project, there were mixed results in hypothesizing what BCRA had an effect on. With the exception of the 2006 election in the South Carolina 6<sup>th</sup>, there were no large jumps from before to after the passage of the legislation so that hypothesis is correct.

The data also fails to support the hypotheses that party contributions would rise and PAC contributions would stay the same or go down with the passage of BCRA. The only district in which the party hypothesis was supported was the Iowa 3<sup>rd</sup>. A reason for this could be that the districts were either in such a safe spot or too far out of reach (depending on one's point of view) that the parties did not want to spend money on them. For PAC donations, results are all over the map. For the Washington 2<sup>nd</sup> and the Massachusetts 1<sup>st</sup>, the data supports the PAC hypothesis; the contributions stayed roughly the same. However for the Iowa 3<sup>rd</sup> and South Carolina 6<sup>th</sup>, the contributions from PACs actually increased.

The hypothesis regarding small donors was also incorrect. In three districts the ratio of small donors to large donors actually decreased, while in the Iowa 3<sup>rd</sup> the ratio stayed about the same. It is thus safe to say that while the hypotheses for the Democratic districts overall were

incorrect, it is possible to see the effect of BCRA in the Iowa 3<sup>rd</sup>, regardless of the fact that the change was in opposite the predicted direction.

### *Republican Districts*

The first Republican district to be analyzed is the Georgia 1<sup>st</sup>. In the two elections before the passage of the Bipartisan Campaign Reform Act, the financial categories were essentially the same. Congressman Jack Kingston faced two different challengers but enjoyed almost identical advantages in overall receipts of \$768,364 and \$766,789 in 2000 and 2002, respectively. The reason for this large gap was the disparity in PAC donations in both the 2000 election and the 2002 election. Kingston also raised similar portions of his overall funds from small donors: 11 percent in 2000 and 14 percent in 2002. The challengers in both elections raised larger portions of their funds through small donations: nearly 88 percent in 2000 and 50 percent in 2002. However, in both elections, Kingston had very few problems at the polls, winning 69 percent to 31 percent in 2000 and 72 percent to 28 percent in 2002.

After the passage of BCRA, Kingston had similar success. In fact, in 2004 he ran unopposed. He again faced very few problems in 2006, building up a gap of over a \$1,000,000, with the aid of a massive advantage in PAC donations. Kingston also found little need to solicit small donors, as he only raised 6.5 percent of his total war chest from donations of less than \$200. His challenger, Nelson, raised 37 percent from small donors and received more help from the party than Kingston did, but the final tally at the polls left him on the losing end of a 68 percent to 32 percent distribution.

The Georgia 1<sup>st</sup> shows very little evidence of BCRA having an effect on the way incumbents have to run or in raising challengers at a more advantaged level. Kingston



experienced similar advantages in total receipts as well as at the polls before and after passage of the legislation. Furthermore, in direct contradiction to the literature, he needed less help from small donors after the passage of BCRA than before the passage of the legislation. Thus, it is safe to say that the Bipartisan Campaign Reform Act had very little, if any, effect on Georgia's 1<sup>st</sup> Congressional District.

The next Republican district to be analyzed is the Utah 3<sup>rd</sup>. The 2000 election is an abnormality, as the challenger, Dunn, raised more total contributions than the incumbent, Chris Cannon, \$379,269 to \$344,855. The difference came from the large advantage that Dunn held in small donors, raising 26 percent of his funds in denominations under \$200 compared to 17 percent for Cannon. However, despite these advantages, Cannon still had an easy win on Election Day, taking 59 percent of the vote compared to 38 percent going to Dunn.

The 2002 election is much more similar to the Democratic districts and the first Republican district discussed above. Cannon enjoyed a \$302,142 advantage in total receipts, led by a larger allowance in PAC donations as well as a very large advantage in party donations. These two large differences led to Cannon only needing to raise 12 percent through small donations, and led him to a 67 percent to 29 percent victory on Election Day. On the other hand, the challenger, Woodside, raised 47 percent of her total receipts through small donors; despite this fact, it was obviously not enough in the end.

The two elections after the passage of BCRA did not show much difference in the way Cannon ran his campaigns and fundraising. In 2004, Cannon still received a huge advantage from the party, gathering \$280,225 in contributions, though the money faucet was turned off in 2006. However in both elections, the PAC donations helped Cannon hold the upper hand on his

challenger in total receipts and allowed him to only receive 3 percent from small donors in 2004 and just 1 percent in 2006. Furthermore, in both elections Cannon had very little problems at the polls, winning 63 percent to 33 percent in 2004 and 58 percent to 32 percent in 2006.

It is again difficult to see any effect from the Bipartisan Campaign Reform Act in the Utah 3<sup>rd</sup>. Congressman Chris Cannon needed absolutely no help from small donors and thus did not seek any. In fact, his receipts from PACs actually went up after the passage of BCRA, doing nothing to make campaign contributions seem less dirty. Thus, it has been found that BCRA did not have an effect in this particular district, either.

In the Connecticut 4<sup>th</sup>, the next district to be analyzed, Chris Shays had nearly identical elections in 2000 and 2002. The gap in overall receipts was very similar, \$757,677 in 2000 and \$856,581 in 2002, because of gaps in PAC donations but not party donations. The biggest difference between the two elections is the role played by small donors. In 2000, Shays raised 23 percent of his funds through small donations compared to only 9 percent in 2002. In both 2000 and 2002, his challenger, Sanchez, raised nearly 25 percent through small donations. The similarities between the two elections transferred to the ballot box, where Shays won 58 percent to 41 percent in 2000 and 64 percent to 36 percent in 2002.

After the passage of BCRA, the Connecticut 4<sup>th</sup> became a more contested seat, though little changed in the way of fundraising except for the amount of money coming into the district. The gap of total receipts stayed nearly the same, dropping to \$688,239 in 2004 before rising to \$782,307 in 2006. The gap came from the same big difference in PAC donations but was also added by a larger discrepancy in party donations. Again, Shays relied little on small donors, as they made up only 10 percent of his total receipts in 2004 and just 6 percent in 2006, while his

challenger, Farrell raised 20 percent of his funds through small donors in 2004 and 16 percent in 2006. At the polls Shays succeeded in both post-BCRA elections, winning 52 percent of the vote in 2004 and 51 percent in 2006.

This district is the first Republican district to show itself to be affected by BCRA. Before the passage of the legislation it was a much more entrenched seat; however, through the help of small donors, a challenger was able to vastly close the gap at the polls, if not in the total receipts. By soliciting small donors, the challenger was able to increase name recognition and tout himself as a man of the people, making the Connecticut 4<sup>th</sup> one of the most hotly contested seats in 2006.

In the two elections before the passage of the Bipartisan Campaign Reform Act, Congressman Lee Terry of the Nebraska 2<sup>nd</sup> ran his campaign in very similar ways. The comparable gap in total receipts between Terry and the challenger in each election was again fueled by a substantial difference in PAC contributions. Terry did use small donors in a larger way in 2002 compared to 2000; 8.5 percent of his funds came from small donors in 2000 to 13.3 percent in 2002. While the gap in total receipts was similar in 2000 and 2002, his challengers used small donors very differently in the two elections. In 2000, Kiel got 25 percent of his total receipts from small donors, while in 2002 Simon received only 7 percent from small donors. However, in the end, the result was the same, with Terry winning 67 percent to 31 percent in 2000 and 63 percent to 33 percent in 2002.

Following the passage of BCRA, very little changed in Lee Terry's campaign. He continued to hold a very solid advantage in the total receipts through a large disparity in PAC contributions and also continued to rely on small donors for about eight percent of his total receipts (9 percent in 2004, 8 percent in 2006). While again his challengers differed in their use

of small donors (Thompson in 2004 used them for 25 percent of his total while Esch in 2006 used them for only 7 percent of his total), the end result did not change at all. Terry won the 2004 election with 61 percent of the total vote and the 2006 election with 55 percent of the total vote.

The near identical nature of the elections before and after BCRA in the Nebraska 2<sup>nd</sup> should be disconcerting to anyone who is a proponent of the legislation. Lee Terry conducted his campaigns in such an identical fashion that it is practically impossible to detect the presence of a new and supposedly landmark piece of legislation enacted between the four elections. Thus, the Nebraska 2<sup>nd</sup> is solidly in the category of not being affected by BCRA.

The California 2<sup>nd</sup> is the next district to be analyzed and is the most solidly Republican of the five districts to be examined. Before the passage of BCRA, Wally Herger had only names on ballots for challengers. In 2000, his challenger did not declare any contributions to the FEC and lost 66 percent to 29 percent, while in 2002, his challenger in declared just over \$10,000 in total receipts and lost 66 percent to 29 percent as well. Of those receipts, 54 percent were from small donors.

After the passage of BCRA, Herger faced another meaningless candidate in 2004, winning 67 percent to 33 percent, before finally facing a somewhat realistic challenger in 2006. That challenger, Sekhon, still faced a gap in total receipts of \$490,562, again stemming from a glaring disparity in PAC donations. Herger needed only to receive 9 percent from small donors while Sekhon relied on small donors for 18 percent of his total receipts. In the end, however, Herger still won with nearly the same distribution of votes: 64 percent to 33 percent.

The California 2<sup>nd</sup> shows no real signs of being affected by the Bipartisan Campaign Reform Act. Although the only serious challenge to Congressman Herger occurred after the

passage of the bill, Herger relied less on small donors that year than in the three previous elections. Thus, if there was any effect, it was in the opposite direction the literature suggests and what the proponents of the bill had intended.

Regarding the four hypotheses, the Republican districts support them as little as the Democratic districts. The first hypothesis, that the overall fundraising gap would stay the same, was marginally correct; two districts saw the gap rise considerably while three districts saw the gap remain stable. With the exception of the Connecticut 4<sup>th</sup>, the gap in vote distribution also stayed about the same. The Connecticut 4<sup>th</sup> can be explained by the increased attention paid to the races by both parties and the national media in 2004 and 2006.

The hypothesis regarding party contributions cannot be supported by the data, though it would be difficult to completely reject it either because the data are so widely distributed; however the hypothesis regarding PAC contributions is clearly not supported by the data, as the trend was for PAC donations to increase rather than decrease. The Georgia 4<sup>th</sup> saw the opposite of what was predicted in both hypotheses, as the party contributions went down and PAC donations went up. The Utah 3<sup>rd</sup> was all over the map with very large differences in trends between the incumbents and challengers. The Connecticut 4<sup>th</sup> saw both party and PAC donations go up, though again this can be explained by the nature of the two elections. The Nebraska 2<sup>nd</sup> was similar to the Utah 3<sup>rd</sup> in that it was very widely distributed between challengers and incumbents. Finally, the California 2<sup>nd</sup> can show very little because the district did not get any more competitive after the passage of the bill.

The hypothesis regarding small donors also failed to be supported. Of the five Republican districts analyzed, none saw the percentage of small donors go up, though two saw challengers

stay roughly the same; the rest of the candidates all utilized less small donations to raise funds than before the passage of the legislation. One could assume that the reason the incumbents did not change their method of raising money is because the districts are so well established as Republican that the new law did not change the landscape in a big enough way.

While the Connecticut 4<sup>th</sup> saw such large differences in financial scores because of the nature of the elections, one could argue that the reason that the elections gained so much notoriety and the challenger was able to close the gap so convincingly was because of the passage of BCRA. While Shays did not rely on small donors at all, the challenger, Farrell, did utilize small donations to make up 20 percent and 16 percent of total funds in 2004 and 2006, respectively. Thus, in one of the Republican districts, BCRA did have an effect and closed the gap to give a challenger a chance.

#### *Battleground Districts*

The first swing district to be analyzed is the Indiana 8<sup>th</sup> and has been dubbed the “Bloody Eighth” because of the electoral battles that have been waged there recently ([www.nationaljournal.com](http://www.nationaljournal.com)). In 2000, the incumbent, John Hostettler, found himself on the low end of an \$841,388 dollar gap in total receipts. He received less in PAC donations and party donations than his challenger, but he raised 32 percent through small donors compared to only 2 percent by his challenger and won the election 53 percent to 46 percent. In 2002, Hostettler actually raised \$166,704 more than his challenger, almost solely through the 37 percent of his receipts coming from small donors, as his challenger received more in PAC donations and party donations. The gap on Election Day again favored Hostettler 51 percent to 46 percent.

After the passage of BCRA, Hostettler faced even larger deficits in total receipts than in 2000: \$1,035,235 in 2004 and \$1,171,555 in 2006. Despite huge disparities in PAC donations and donors over \$200, Hostettler carried the day in 2004, using his 31 percent of total receipts coming from small donors to carry him to a 53 percent to 45 percent victory at the polls. However, in 2006 the gap proved to be too great, as he lost 39 percent to 61 percent in almost identical circumstances.

While the gap between the incumbent and challenger widened after the passage of BCRA, it was not in the way that it did in the solidly Democratic or solidly Republican districts. However, it is difficult to give any credit for changing the way the campaigns were waged in the Indiana Eighth to the passage of BCRA, as this was obviously a different district from the beginning with Hostettler facing a deficit in total receipts in 2000 and consistently facing a deficit in PAC money. Thus, it will be thought of as not being affected by BCRA.

The next district to be analyzed is the New Mexico 1<sup>st</sup>. Before the passage of BCRA, the incumbent, Heather Wilson's, campaigns looked very similar to those in the solidly partisan districts seen above. She enjoyed large advantages in total receipts because of extensive party support and disparities in PAC donations. She used small donations for 17 percent of her total donations in 2000 and 16 percent in 2002, compared to 11 percent and 23 percent, respectively, by her challengers. However, the gap at the polls was not as large, as she only managed to win by margins of 51 percent to 44 percent in 2000 and 55 percent to 45 percent in 2002.

After the passage of the legislation, very little in the way her campaign raised money was changed. Congresswoman Wilson saw nearly identical fundraising gaps in 2004 and 2006 to those she saw in 2002 from the same sources: disparities in party donations and PAC

contributions. Furthermore, her percentage of total funds coming from small donors was also very similar. However, the gap at the polls narrowed to 54 percent to 46 percent in 2004 before she barely won in 2006 by less than one percentage point.

While there was very nearly a change at the polls in the New Mexico 1<sup>st</sup>, it is impossible to give credit to the passage of the Bipartisan Campaign Reform Act because the situations surrounding the elections before and after the passage of the bill barely changed. Thus, while the New Mexico 1<sup>st</sup> became a more hotly contested seat, I do not believe it was a result of the passage of BCRA; rather it was simply a result of the political situation in the district and the rest of the nation.

The next district to be examined is the Connecticut 2<sup>nd</sup>. In 2000, the challenger, Rob Simmons, faced a \$730,062 disadvantage in total receipts. Furthermore, he did not garner as much party or PAC support. However, in relying on small donors for 18 percent of his total funds, compared to the incumbent's 9 percent, Simmons was able to spread his support out just enough to win the election by a count of 51 percent to 46 percent. As the incumbent in 2002, Simmons was able to use an overwhelming disparity in both party support and PAC contributions to build up a \$915,702 advantage in total receipts. He also followed the route most incumbents do in relying less on small donors; only 4 percent of his total receipts were made up of donations under \$200 compared to the challenger's 19 percent. Despite changing the manner in which he raised funds, the result on Election Day was the same, as Simmons took 54 percent to the challenger's 46 percent.

In the election immediately following the passage of BCRA, the only aspect of the election that changed was the amount of small donations. Simmons held an advantage of over



\$1.5 million in total receipts, spurred by large advantages in party and PAC contributions. However, Simmons did rely on small donors for 11 percent of his total receipts, up from 4 percent two years earlier. In the end, the vote distribution stayed exactly the same as 2002, with Simmons winning 56 percent to 44 percent. The midterm election of 2006, however, was slightly different in every respect. The gap in total receipts closed to \$654,970, though Simmons still held strong advantages in party contributions and PAC contributions. However, while Simmons only raised 1 percent of his total funds through small donors, Courtney, the challenger, raised over \$500,000 from small donors, composing 20 percent of his total receipts. In the end, Courtney was able to ride his strategy to a victory at the polls of less than one percent.

Although 2006 saw the success of a challenger in the Connecticut 2<sup>nd</sup>, this is not enough evidence to support BCRA having an effect on how campaigns are run. Rob Simmons only raised \$18,011 dollars from small donors and still commanded a fundraising gap of over \$600,000, raising a total of \$3,112,876. It is thus plain to see that, at least in the Connecticut 2<sup>nd</sup>, the perceived air of dirty politics and large donations from special interests (\$1,610,901 from PACs in 2006) did not go away with the passage of the Bipartisan Campaign Reform Act of 2003.

The Illinois 8<sup>th</sup> Congressional District has grown increasingly competitive as time has gone on. In both 2000 and 2002, Congressman Phil Crane stayed the course of the incumbents that we have seen; he commanded large gaps in total receipts by raising much more from PAC donations and receiving more help from the party. Furthermore, he relied less on small donors than his opponent: only 7 percent in 2000 and 6 percent in 2002, compared to 8 percent and 16 percent for his opponent. He also had no problems at the ballot boxes, winning in 2000 by a count of 61 percent to 39 percent, and in 2002 57 percent to 43 percent.

However, in the first election after the passage of the Bipartisan Campaign Reform Act, Crane met an opponent who put him on the low end of an \$8,595 fundraising gap. This gap existed even though Crane raised significantly more from PACs and the Republican Party spent far more money on him than the Democrats on his opponent, Melissa Bean. The difference in 2004 lay in small donors; Bean raised over \$315,000 in donations under \$200, compared to only \$138,421 raised in that manner by Crane. On Election Day, Bean defeated the incumbent 52 percent to 48 percent.

In 2004, Bean faced a similar challenge that Crane experienced in 2004. She faced an \$803,124 fundraising hurdle against the largely self-funded David McSweeney, despite a massive advantage in PAC donations. Although she only raised 2 percent of her total receipts from small donations, the \$170,626 far outstripped McSweeney's \$26,656. However, despite the overall disadvantage - Bean also received less help from the party than McSweeney - Bean won this right-leaning district 51 percent to 44 percent.

The Illinois 8<sup>th</sup> is a curious district in regards to the possible effect that BCRA had on the elections. It could be reasonably argued that BCRA did have an effect on the district, as Melissa Bean ran in 2002 and got significantly outmatched in both fundraising and at the polls. However, in 2004, with a larger focus on small donors, she was able to win the seat from an entrenched incumbent in a district that tended to vote Republican in presidential elections. Thus, it is the position of this paper that BCRA did have an effect on the Illinois 8<sup>th</sup>.

The Georgia 12<sup>th</sup> did not exist until after the 2000 Census; thus the first election that included the district was the 2002 midterm. In 2002, the Democrat, Walker, was the more effective fundraiser, garnering \$186,587 more than the Republican Max Burns. The gap between

the two candidates in PAC donations was not very large; however Burns had much more party support to the tune of \$69,650 to \$1,800. Burns also utilized small donors in a more successful way, raising \$127,530 to Walker's \$44,445. In the end, Burns won the first election for the Georgia 12<sup>th</sup>, 55 percent to 45 percent.

In the two elections after the passage of BCRA, the Georgia 12<sup>th</sup> was the site of two hotly contested elections. Despite a \$921,917 fundraising advantage overall, including more party donations, PAC contributions, and a larger proportion of small donors, Max Burns found himself on the losing end of a 52 percent to 48 percent election result to the challenger John Barrow. In 2006 Burns tried to win back the seat, but had less success in overall fundraising, gathering \$290,592 less than Barrow; the majority of that gap came from a large disparity in PAC contributions. Burns did continue his success with small donors, raising \$186,467 in that manner to Barrow's \$63,280. However, in the end, Burns lost the election by less than one percentage point to Barrow.

It is difficult to tell one way or the other if BCRA had any effect on the Georgia 12<sup>th</sup> because the district has been around for a very short amount of time. However, the proportion of small donors decreased after the passage of the legislation and PAC donations increased, so one could easily argue that BCRA did not make either the 2004 or 2006 election cleaner to the eyes of the general public. Furthermore, the total receipts for both challenger and incumbent have risen for each election in the life of the twelfth district of Georgia.

Regarding the hypotheses in general, the success of predicting the effects of the bill in the swing districts was not much different than the success with either of the partisan districts. Regarding the discrepancy in fundraising, the five districts show great variability. The New

Mexico 1<sup>st</sup> and Connecticut 2<sup>nd</sup> followed what was expected, staying relatively constant. However the gap went up and in an interesting direction in the Indiana 8<sup>th</sup> as well as the Illinois 8<sup>th</sup>. Finally, the Georgia 12<sup>th</sup> had no pattern to it whatsoever. Thus, this hypothesis was not supported. The hypothesis regarding vote distribution was also not supported by the data, as only the Illinois 8<sup>th</sup> showed a glaring difference from before the passage of BCRA to after.

The hypotheses regarding party and PAC donations were both found to be either incorrect, or at best inconclusive. The party donations changed in the expected direction in the New Mexico 1<sup>st</sup> and Connecticut 2<sup>nd</sup>, rising after the passage of the bill, though they went down in the Indiana 8<sup>th</sup>. In the Illinois 8<sup>th</sup> and Georgia 12<sup>th</sup> there was so much fluctuation from election to election and between incumbents and challengers that is impossible to see any effect or change. The PAC contributions failed to be supported in all five districts. Four of the five districts saw PAC donations rise considerably while the Indiana 8<sup>th</sup> - different in all respects - saw PAC donations go down for the incumbent but rise for the challenger.

Finally, regarding small donations, it appears that the hypothesis was supported when it came to challengers but not for incumbents. The challengers in every district except the Indiana 8<sup>th</sup> used small donations to a greater extent after the passage of the bill, while those in the Indiana 8<sup>th</sup> stayed roughly the same. Incumbents, however, took the same course as their counterparts in the more strongly partisan districts and utilized small donors less after the passage of BCRA. Again, the Indiana 8<sup>th</sup> was the difference in this variable, staying roughly the same after the passage as the levels were before.

## Conclusions

The overall conclusion of this project is that the Bipartisan Campaign Reform Act of 2003 has had very little effect on congressional elections. While only sampling fifteen districts out of 435 is certainly less than perfect, the districts sampled were carefully chosen based on their political ideology, party identification, urbanicity, and region. Thus, while the sample was not large, it was adequate because of the diverse nature of the districts chosen.

The problem of sampling Congress notwithstanding, there were some other problems that were unable to be addressed. First, the elections of 2000, 2004, and 2006 were all very high profile, and thus different, elections in terms of how the money flowed. The presidential election of 2000 was one of the closest in history and consequently resulted in increased attention to congressional races. The presidential election of 2004 was another close election, and one with very high turnout, again muddying the waters when trying to compare it with other elections. Finally, the midterm election of 2006 was another high turnout election in which congressional races were the only races occurring and massive amounts of money from parties, PACs, small donors, and large donors all played important roles. In fact, in 2006, the average winner spent over \$1.2 million and the average loser spent over \$620,000 ([www.opensecrets.org](http://www.opensecrets.org)). The odd nature of these three elections does not allow the data to be quite as clean as one would hope, though this project attempted to do as well as possible.

Along the same line, it is unclear that the passage of BCRA caused the increase in small donors. There are three other possibilities in addition to the passage of the legislation that are related to one another. First, the nature of the elections necessitated parties and candidates expanding the base of their support and focused more on raising money through small donors.

Second, the advent of the Internet as a fundraising device made it increasingly easy for candidates to raise money from all types of people, including those who do not want to give more than \$200. Third, the polarization of the country may have driven more people to become active in politics - either to support a candidate or to work against a candidate – and to do so, these people may have given money to help their personal agenda.

Another problem is the simple fact that there has not been a lot of time for the law to take effect and play a role in elections and campaigns. In a few more election cycles it will be much easier to broaden the scope of the research because there will be many more post-BCRA elections to examine. Until that time, we can only use the data available to us and attempt to extrapolate certain trends from smaller pools of data.

The dynamic nature of political campaigns also hinders our ability to notice an effect of BCRA. The reason for this is that campaign money does not flow to a candidate all at once, but rather the stream of contributions experiences changes at different times in the campaign. If a candidate does not show that he or she can successfully raise money without the help of the party or PACs then they will most likely not receive money from those two types of institutions. However once the candidate shows his or her ability to raise a significant amount of money, the gates are thrown open and money pours in from small and large donors, PACs, and the party. This dynamism is not something that can be efficiently measured in the time available and thus was not analyzed in this paper.

Finally, the biggest problem is the inability to examine the behavior of 527 groups. With the ability of groups to use soft money taken away with the passage of BCRA, the focus of many groups shifted to running ads through groups that filed under Section 527 of the tax code.

However, these groups do not have to report any expenditures or receipts so it is impossible to track their behavior and to calculate their effect on elections.

The hypotheses set forth at the beginning of this paper almost all failed to be supported. Small donations did rise for challengers in swing districts, as they were best able to harness the opportunity given to them by BCRA due to the lack of the challenge of ousting a well-entrenched incumbent. The gaps in overall fundraising did stay roughly the same in all three sections of districts, and the gap in vote distribution followed suit. Party and political action committee contributions were two very interesting variables. They both proved to be highly variable and often did the opposite of what was predicted.

The most interesting parts of the data were not the swing districts and the fluctuations seen there, but rather the changes in the districts known to be Democratic or Republican. The data show very little change in the amount of money incumbents in those districts were able to raise, and they also did not suffer at the polls. This goes to show that by and large the congressmembers who wrote the law benefited by placating the vast majority of Americans who thought that politics was a dirty business and there was too much special interest money in deciding elections, while also keeping the same stranglehold on their seats. Granted not every congressman was so lucky and some did lose their seats or at least saw the gap close between the congressman and challenger. Thus, although incumbents did not receive a fundraising boost from BCRA, the overwhelming stability in those ten districts can be partially attributed to the positive appearance of cleaning up the political process. This is a victory because it kept many seats in these districts safe.

Thus, while there are some flaws to the design of the project that fall outside the scope or ability of the author, there is a large amount of data that points to the simple fact that the Bipartisan Campaign Reform Act has done little to change congressional elections. While congressmen and women will point to the law and state that politics is a cleaner profession as a result of BCRA, it remains to be seen if that is really the truth.



## Appendix

### Democratic Districts

WA-3	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Larsen	\$291,982	18%
	Koster	\$252,349	22.50%
2002	Larsen	\$346,961	19%
	Smith	\$143,657	25.50%
2004	Larsen	\$273,739	17.50%
	Sinclair	\$15,315	39.50%
2006	Larsen	\$170,432	11%
	Roulstone	\$103,370	14.80%

IA-3	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Boswell	\$126,368	16.70%
	Marcus	\$91,167	41.80%
2002	Boswell	\$122,377	9%
	Thompson	\$152,133	16.90%
2004	Boswell	\$232,837	15%
	Thompson	\$116,707	13.60%
2006	Boswell	\$242,873	11.30%
	Lamberti	\$176,286	8.80%

CA-42/43	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Baca	\$267,027	16.40%
	Pirozzi	\$58,124	6.70%
2002	Baca	\$49,723	10.10%
	Neighbor	\$3,681	57.70%
2004	Baca	\$46,170	9.30%
	Laning	\$15,112	27.40%
2006	Baca	\$71,230	10.30%
	Folkens	\$5,480	32%

SC-6	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Clyburn	\$35,359	6%
	Ellison	\$7,600	23%
2002	Clyburn	\$28,808	6.80%
	McLeod	\$1,420	13.90%
2004	Clyburn	\$29,211	4.20%
	McLeod	\$696	8.60%
2006	Clyburn	\$28,732	2.50%
	McLeod	\$0	0%

MA-1	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Olver	\$140,229	21.20%
	Abair	\$55,517	34.40%
2002	Olver	\$105,838	19.10%
	Kinnaman	\$54,463	2.80%
2004	Olver	\$68,371	12%
2006	Olver	\$51,449	7.80%
	Szych	\$4,921	10.40%

### Republican Districts

GA-1	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Kingston	\$94,345	11.20%
	Griggs	\$62,177	87.50%
2002	Kingston	\$113,860	14.40%
	Smart	\$10,968	50.20%
2004	Kingston	\$40,377	4.80%
	Smart	\$434	74.80%
2006	Kingston	\$73,870	6.50%
	Nelson	\$44,071	37.20%

UT-3	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Cannon	\$60,516	17.50%
	Dunn	\$100,079	26.40%
2002	Cannon	\$42,140	11.60%
	Woodside	\$29,395	47.20%
2004	Cannon	\$19,330	3%
	Babka	\$21,913	62%
2006	Cannon	\$16,855	1.40%
	Burridge	\$1,649	2.60%

CT-4	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Shays	\$218,206	23.10%
	Sanchez	\$46,552	25%
2002	Shays	\$92,308	9.50%
	Sanchez	\$27,451	23%
2004	Shays	\$222,321	9.90%
	Farrell	\$304,181	19.80%
2006	Shays	\$239,727	6.30%
	Farrell	\$489,463	16.10%

CA-2	Candidate	Receipts <\$200	Percentage of Total Receipts
2000	Herger	\$152,625	22%
	Morgan		
2002	Herger	\$77,599	11%
	Johnson	\$5,415	54%
2004	Herger	\$135,378	20%
	Johnson	\$2,002	17.80%
2006	Herger	\$65,248	9.50%
	Sekhon	\$37,755	17.90%

NE-2	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Terry	\$75,102	8.50%
	Kiel	\$89,119	24.90%
2002	Terry	\$146,005	13.30%
	Simon	\$49,604	6.90%
2004	Terry	\$115,939	8.70%
	Thompson	\$225,802	25.10%
2006	Terry	\$90,026	8.10%
	Esch	\$29,458	7.10%

### Swing Districts

IN-8	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Hostettler	\$235,056	32.30%
	Perry	\$34,763	2.20%
2002	Hostettler	\$207,083	36.70%
	Hartke	\$41,679	10.50%
2004	Hostettler	\$149,035	31%
	Jennings	\$305,719	20.20%
2006	Hostettler	\$152,062	25.40%
	Ellsworth	\$156,270	8.80%

NM-1	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Wilson	\$375,793	16.80%
	Kelly	\$179,592	11.20%
2002	Wilson	\$429,635	15.70%
	Romero	\$284,374	22.70%
2004	Wilson	\$573,675	16.80%
	Romero	\$536,466	25.70%
2006	Wilson	\$550,309	11.20%
	Madrid	\$679,802	20.10%

CT-2	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Gejdenson	\$167,501	9.30%
	Simmons	\$195,935	18.10%
2002	Simmons	\$92,931	4.30%
	Courtney	\$233,863	18.90%
2004	Simmons	\$278,165	10.90%
	Sullivan	\$205,318	19.50%
2006	Simmons	\$18,011	0.60%
	Courtney	\$507,305	20.60%

IL-8	Candidate	Receipts < \$200	Percentage of Total Receipts
2000	Crane	\$74,578	7%
	Pressl	\$24,223	8.50%
2002	Crane	\$41,238	5.90%
	Bean	\$53,387	16.20%
2004	Crane	\$138,421	8.70%
	Bean	\$315,493	19.70%
2006	Bean	\$170,626	3.90%
	McSweeney	\$26,656	0.50%

GA-12	Candidate	Receipts < \$200	Percentage of Total Receipts
2000			
2002	Burns	\$127,530	13.60%
	Walker	\$44,445	4%
2004	Burns	\$266,845	9.50%
	Barrow	\$117,804	6.20%
2006	Barrow	\$63,280	2.50%
	Burns	\$186,467	8.50%

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