

# Donor Dissent

*Congressional contributors rethink giving*

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Academics and journalists who study the financing of American political campaigns increasingly agree that the post-Watergate campaign finance regulations are not working. The public has concurred with this assessment: a *Washington Post* poll in 1997 showed that only 18% thought the campaign finance system was basically sound. In the 2000 presidential primaries, Senator

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John McCain struck a responsive chord with his reform message; one in six McCain voters on Super Tuesday claimed to make their vote decision based on that issue. Yet polls also showed that campaign finance is far from the most important issue on voters' minds. An April 2000 poll by ABC News and the *Washington Post* found that while two-thirds of Americans supported campaign finance reform, they rated it last in importance in a list of fifteen policy issues.

More significant support for campaign finance reform is beginning to emerge among an unlikely group of Americans, however: campaign contributors themselves. Some corporations have quietly terminated their soft money programs, and some prominent Hollywood donors have publicly announced they will cease their

fundraising activities. Donors increasingly object to the frenzied, constant demands for more and larger contributions coming from officials of both parties. The aggressive, record-breaking quest for political money in 2000 can only increase this dissatisfaction. If such sentiments become widespread, campaign finance reform will be more likely than is commonly supposed.

To learn more about the people who finance political campaigns and their attitudes toward campaign finance reform, we conducted a survey of contributors to 1996 House and Senate candidates with a grant from the Joyce Foundation. We surveyed a random sample of donors reported to the Federal Election Commission as having given at least \$200 to any candidate; these are referred to as "donors" in the discussion below. An

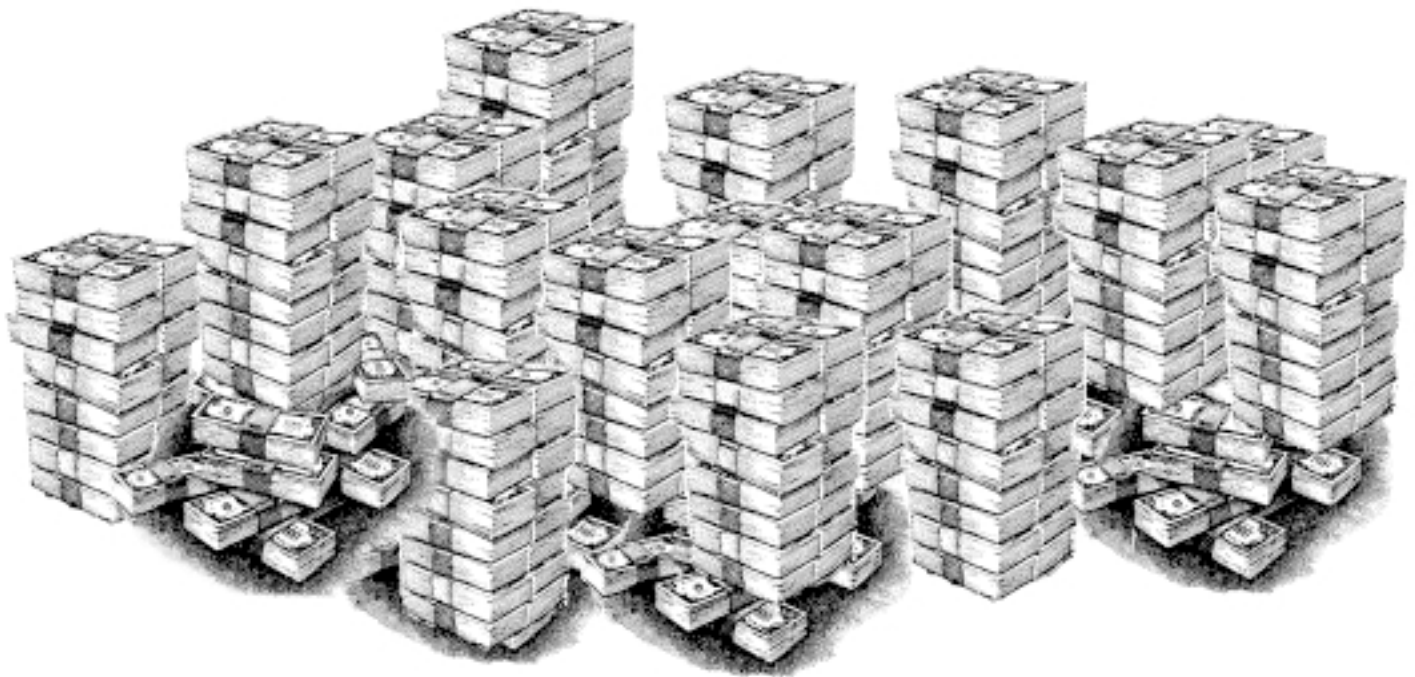


Table 1

**Characteristics of House and Senate Donors**

	<i>All Donors</i> <sup>1</sup>	<i>Most Active Donors</i> <sup>2</sup>
<b>Race and Gender</b>		
White	99%	99%
Male	76	82
<b>Age</b>		
45 or younger	17%	6%
61 or older	40	54
<b>Education</b>		
High school or less	5%	1%
Some college	14	6
College degree	23	29
Some graduate training	11	13
Graduate/professional degree	48	51
<b>Income</b>		
Less than \$100,000	22%	4%
\$100,000-249,999	40	17
\$250-500,000	24	28
More than \$500,000	14	52
<b>Denomination</b>		
Mainline Protestant	41%	32%
Evangelical Protestant	12	5
Catholics	23	12
Jews	11	39
Seculars	8	5
Other	6	5
<b>Party ID</b>		
Republican	50%	31%
Independent	19	17
Democrat	31	52

<sup>1</sup>Survey of 1118 donors who gave \$200 or more to congressional candidates in the 1995-96 election cycle, based on information provided by the Federal Election Commission.

<sup>2</sup>Survey of 291 "most active donors" who gave money to at least eight candidates, and/or gave a total of \$8000 in the 1995-96 election cycle, based on information provided by the Center for Responsive Politics.

**Source:** Surveys by the University of Akron, Fall 1997.

additional list of donors was identified using data from the Center for Responsive Politics. Each of these individuals gave money to at least eight candidates, and/or gave a total of \$8,000. We refer to this separate sample as "most active donors."

According to our study, donors to House and Senate candidates are disproportionately drawn from advantaged social and economic groups. Table 1 shows the demographic characteristics of all donors and the most active donors.

Nearly all donors are white, and although women now vote more often than men, they account for less than one-quarter of all donors. Their numbers are slowly increasing, however. In 1972, only 17% of donors were female; by 1996 that number was 24%. A significant number of women donors report bundling contributions through groups such as Emily's List and Wish List.

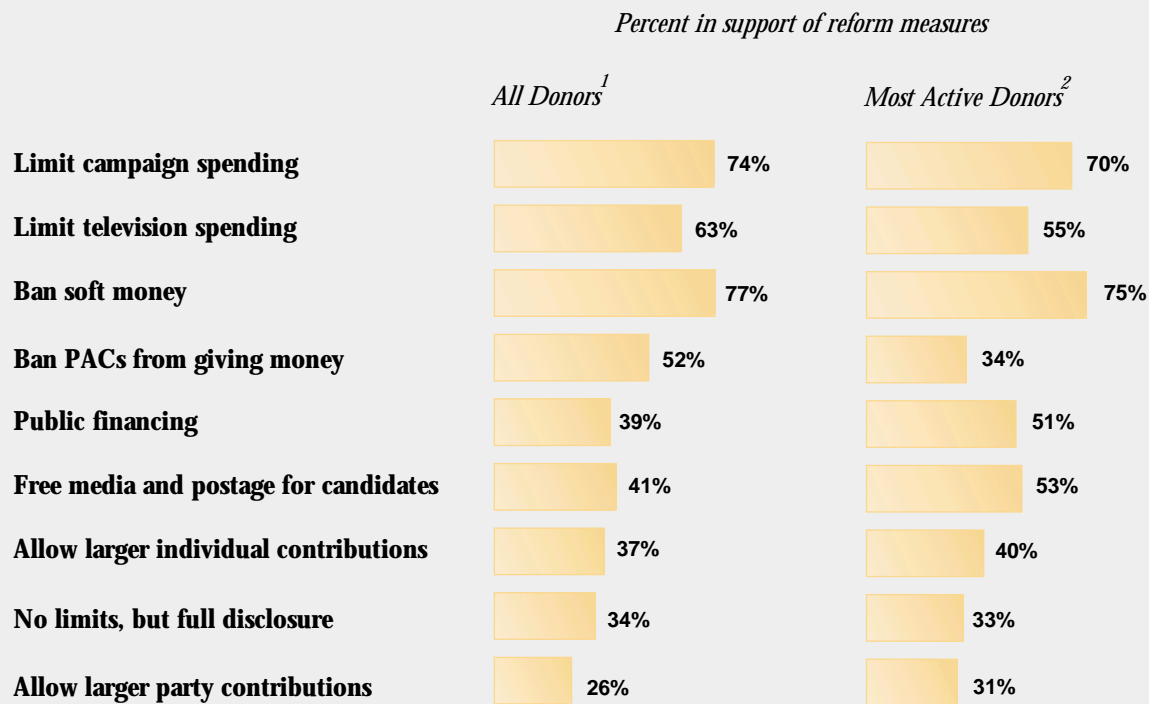
Almost half of all donors have graduate or professional degrees, and 38% report incomes of more than \$250,000. The most active donors are far wealthier—more than half have incomes in excess of \$500,000. Donors are also more likely than the general public to be mainline Protestants or Jews, and less likely to be evangelical Protestants. Many of these tendencies are even more pronounced among the most active donors. And while donors are more heavily Republican than the general public, the most active donors tend to be more Democratic.

Clearly, when Congress listens to its donor base, it does not hear the voice of average Americans. And clearly Congress *does* hear the voice of contributors. Nearly one-half of the general donor pool and more than three-quarters of active donors had contacted at least two House members, and similar numbers had contacted at least two Senators, in the previous two years. One-half of all active donors know personally both senators from their state, and two-thirds know their House member personally.

**D**onors are not happy with the current system of financing political campaigns; in fact, they are less happy than the mass public. Three in four in both donor groups think that the current system of financing elections has serious problems; fully one-third think the system is "broken." Only 2% think the system "is all right the way it is."

Figure 1

## Donor Support for Campaign Reform Measures



<sup>1</sup>Survey of 1118 donors who gave \$200 or more to congressional candidates in the 1995-96 election cycle, based on information provided by the Federal Election Commission.

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**Source:** Surveys by the University of Akron, Fall 1997.

Not surprisingly, nearly all donors believe contributing is a legitimate form of political participation. However, more than 80% believe that candidates pressure donors for contributions, a figure that can only go up as the 2000 election unfolds. Interestingly, the most active donors are less likely to say donors pressure legislators for favors. Both sets of donors are divided on why contributions are given, with about half of each agreeing that they give to gain access, and half saying they give because of ideology. The most active donors are somewhat less likely to believe money is the biggest factor in elections.

Both sets of donors report strong support for campaign finance reform, especially for limits on contributions and spending (see Figure 1). For example, three-quarters of both sets of donors favor banning soft money, and nearly as many back limits on campaign spending. Most active donors are somewhat less supportive of limiting spending on television than other donors, but majorities of both groups favor such a limit. One-third of the most active donors, and half of all donors, favor the banning of contributions by Political Action Committees (PACs).

Half of the most active donors and four in ten of all donors favor public

financing and free media and postage for candidates. Donors are least supportive of reforms that would increase the maximum size of contributions by individuals or parties, or remove all limits while requiring full disclosure.

Both sets of donors report that their own behavior would not be much affected by either banning PACs or increasing the limits on individual contributions. If such reforms were enacted, roughly three-quarters claim they would continue to give the same amounts as they do now. Yet fully 30% of the most active donors would give more if the law allowed, and these

donors are generally supportive of raising the limits. There is a reason Republicans like this proposal: nearly four in ten of the most active GOP donors would give more if limits were relaxed, compared with only one in four Democratic donors.

**W**hat are the chances these donor sentiments might lead to campaign finance reform? Although donors could surely force reform onto the congressional agenda, they do not agree on the substance of reform proposals. Party leaders have staked sharply different positions on many campaign finance issues, and so it is not surprising that Democratic and Republican donors also differ on all reforms, although there is some common ground.

Among all donors, Democrats favor public funding by large majorities, while Republicans oppose it in even larger numbers. Republicans are more likely than Democrats to favor proposals that would increase or eliminate contribution limits, although none of these proposals garners a majority of Republican support. Indeed, fewer than one in three GOP donors favors allowing larger party contributions. Among all donors, a majority of Republicans favors limits on contributions.

The policy preferences of the most active donors are divided more by party. The most active Democratic donors generally resemble all Democratic contributors in their attitudes, but Republican active donors are much less supportive of limits on spending and much more likely to support raising or eliminating all limits. A majority of the most active GOP donors supports raising or eliminating contribution limits, and only a minority favors limits on spending.

Yet, there is substantial support for limiting campaign and media spend-

ing, even among the most active GOP donors. Such proposals would require public funding to pass Constitutional muster, and it is unlikely that GOP donors would go along with such a trade. There is very strong support in both parties for a ban on soft money, however. Had we done our survey in 2000, we think it is likely that support would have been high for similar bans on contributions by special issue advocacy committees as well.

**“Donors increasingly object to the frenzied, constant demands for more and larger contributions....”**

**I**n sum, the strongest support among contributors was for limits to soft money giving, and campaign and media spending. These measures, if undertaken, would essentially repair and extend the original post-Watergate campaign finance regulations.

How do we account for this support for campaign finance reform among those who take part in the financing of campaigns most actively? First, while many donors believe that small contributions are merely a form of participation, they feel that very large soft money contributions are often made in the pursuit of narrow, particularistic policies. Second, donors are tired of the escalating requests for more and larger contributions, from which they cannot escape by pointing to the magnitude of their previous gifts.

Yet our research also shows why campaign finance reform is difficult even when strategic elites agree on its importance. Large majorities of donors would like to see spending limits, but

limits could only be implemented in conjunction with public funding, which most GOP donors oppose. A ban on soft money would be more palatable to the political parties if coupled with an increase in “hard money” contribution limits, but a large majority of Democrats and many Republicans oppose allowing larger individual contributions, and large majorities in both parties oppose larger party contributions.

Moreover, our data show a GOP majority among the individual donor pool, but a Democrat majority among the most active donors. In a competitive electoral environment, Republicans think that they can maintain a sizable fundraising advantage under current or expanded limits, but Democrats rely on the most active donors and soft money even more than Republicans.

Yet our data do provide some room for optimism. The overwhelming majorities in favor of a ban on soft money suggest that a version of McCain-Feingold would be popular among donors of both parties. Moreover, statistical analysis of these data reveals that the attitudes of donors on reform have not yet solidified. This suggests the possibility that compromise packages might well be acceptable to donors of both parties, if party leaders tried to persuade them. Finding a workable package of campaign finance reforms will not be easy, but important tasks seldom are. The support for reform among major donors may help meet this challenge.