

# SHOW ME THE MONEY - CAMPAIGN FINANCE

**Five-fold increase in campaign expenditures 1952-88**

**FEDERAL ELECTION CAMPAIGN ACTS (FECA), 1971-1974**

## **DISCLOSURE, SUBSIDIES, LIMITATIONS**

**Established Federal Elections Commission to regulate federal elections**

**All candidates must disclose contributions above \$100 (and loans to self) and expenditures**

**Presidential candidates can receive subsidies - matching money in primaries (to qualify, must raise \$5,000 in 20 states in \$250 or less increments from INDIVIDUALS) and full funding of general elections**

**Parties that received 5%+ of vote in last general election receive \$12M for national conventions**

**Candidates choosing to receive funding are subjected to spending limits (Bush declined in 04 primaries)**

**Contribution Limits: Individuals may give \$1000 per candidate per election; PACs \$5000; no overall cap**

**BUCKLEY V. VALEO (1976)**

**Court upheld limits on campaign CONTRIBUTIONS, but**

**Struck down limits on EXPENDITURES - equated with free expression - unless voluntarily accepted**

**CAMPAIGN REFORM ACT OF 2002 (McCain-Feingold)**

**Bans soft money donations to national parties**

**SOFT MONEY: undisclosed, unlimited donations to parties for party-building activities**

**Limits soft \$ donations to state parties to \$10,000, restricts use to voter registration & GOTV drives**

**Doubled individual "hard money" (disclosed, limited, to candidates) contribution limits to \$2000, indexes increases to inflation (2008 election cycle: \$2300)**

**Bans unions & corporations from donating soft \$**

**No change to PAC limits**

# TIDBITS OF CAMPAIGN FINANCE ANALYSIS

- 📦 **Congressional campaigns are not federally subsidized – furthers advantage of incumbency**
- 📦 **No limits on congressional campaign spending (BvV)**
  - 📦 **Massive spending on races, incumbency advantage**
  - 📦 **Massive time spent on fundraising**
  - 📦 **Late-starters discouraged from running**
- 📦 **No limitations on INDEPENDENT EXPENDITURES (money spent on BEHALF of a candidate without their involvement) – “527s:” tax-exempt groups engaging in political activities, usually mail, phone calls, or TV – i.e. MoveOn.org, SwiftBoat Veterans for Truth**
- 📦 **527s may spend money on “voter mobilization efforts” and “issue advocacy ads” praising or slamming candidates, but may not explicitly endorse candidate – Buckley established “magic words” test (cannot include “vote for,” “elect,” “support”, “cast your ballot for”, “Smith for Congress”, “vote against”, “defeat”, “reject”, or any variations thereof).**
- 📦 **Minor party candidates cannot receive individual subsidies unless their party received 5% of prior vote**
- 📦 **Parties are weakened since funds go to individual subsidies rather than parties – rise of candidate-centered campaigns**
- 📦 **Growth of PACs and candidate dependence on PACs**
- 📦 **Rising cost of campaigns = more time on fundraising**
- 📦 **In January 2010, the Supreme Court ruled in Citizens United v. FEC that corporate campaign spending constitutes political speech and therefore cannot be limited.**