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Three Things You Don't Know About Money In Politics

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Many are angry after the Supreme Court's decision last week in *McCutcheon v. FEC,* which struck down the limit on how much someone can contribute in total to all candidates combined. In the current political climate, few things seem to inflame the passions like the ominous specter of "money in politics." There are also few areas where people are more misinformed. Here are three truths about campaign spending that may calm some nerves.

Campaign spending increases voter knowledge.

This may seem counter-intuitive, but imagine a world where contribution limits to candidates were set at $50, or even $100. It would take a long time to amass enough money to run just a single ad telling voters your name and ideals. Challenging an incumbent under those conditions would be nearly impossible. This is one reason why incumbents tend to like campaign finance laws.

Moreover, many studies have shown that ads increase voter knowledge, interest, and even turnout. One study concluded that "exposure to campaign advertising can produce citizens who are more interested in a given election, have more to say about the candidates, are more familiar with who is running, and are ultimately more likely to vote."

Money doesn't buy elections.

Money is important in elections, particularly when challenging an entrenched incumbent with name recognition and media presence. For a House candidate, the first $500,000 or so is absolutely crucial. After that, the returns diminish sharply, and each next dollar spent is worth less than the last.

However, dumping massive amounts of cash into an election certainly does not guarantee victory. Take former eBay CEO Meg Whitman, who spent $144 million of her own money only to lose the California gubernatorial race to Jerry Brown. Or conservative donor Sheldon Adelson, who spent $42 million in 2012 backing nine candidates with only one of them winning. Or the

Koch brothers, who spent $33.5 million on ads attacking Obama, and we know how that turned out.

True, the higher-spending candidate usually wins the election, but did he/she win *because* of the money? That's a more difficult question. Donors like to back winners, and they will often give to candidates just because they think they will win. This is especially true when low contribution limits make it difficult for a single donor to make a big difference in the outcome. Rather than giving a small amount to someone who will lose anyway, they give to the leading candidate. Candidates in safe districts, districts where the margin of victory all but ensures that one party will win, still get donations. According to election guru Nate Silver, the number of landside districts has doubled since 1992. There are now 242 of them. Candidates who oppose the entrenched party or incumbent receive very few donations and party support, thus essentially ensuring that, in those 242 districts, the "bigger spending" candidate will win. But it is the demographics and gerrymandering that cause those victories, not the spending.

Political opinions do not significantly correlate with wealth.

Although it seems to be a common and fervently held belief, wealth and socioeconomic status do not effectively predict political beliefs. There are poor Democrats and rich Democrats, same as Republicans. For every Sheldon Adelson there's a George Soros. For every Charles Koch there's a Warren Buffett.

There is nothing inherent about having money that makes someone a Republican. However, over the past two election cycles, heavy spenders backing GOP candidates have garnered much of the hatred and headlines. But it is easy to imagine a world where pronounced Democratic dissatisfaction with a Republican president creates a fundraising bonanza for Democrats. In fact, we saw that when Obama broke fundraising records in 2008.

In one recent Gallup poll, the top 1% are 33% self-identified as Republicans and 26% self-identified as Democrats, a slight, but not a strong, tilt toward Republicans. If we include the leanings of independents, the Gallup poll found that 57% of the "nation's wealthiest" associate themselves with the GOP. This slight lean towards self-identified Republicans, however, is difficult to disentangle from the fact that people in general are far more likely to self-associate as conservative rather than liberal. People apparently just don't like to call themselves liberals. In terms of policy preferences, however, it's long been known that there is little difference along the socioeconomic spectrum in support for policies that are arguably in the self-interest of either the poor or the rich.

There is no evidence that shows that freeing up campaign spending will inevitably create policies that prefer the wealthy. Many think this is naive because "obviously" our policies prefer the wealthy, despite the fact that 70% of federal spending goes to the poor and middle class and the richest 10% pay 53% of all federal income taxes. If the debate is just about what policies benefit the poor or rich, then we're back to the same policy debates that have been going on for decades but couching them in discussions about money in politics.

Money in politics elicits ire, but rarely does that ire come with understanding. Blaming money in politics for perceived policy failures also provides a convenient explanation for why the world doesn't align with your policy preferences. Thus, many people believe that stopping political spending and shutting up "outside influences" is the best way to create desired policy change. This motivation should be seen for what it is: censorship. The First Amendment exists to protect political speech of all types, including, and especially, "wrong" speech. You can disagree with what someone says but still defend to the death his right to say it, even if it is Sheldon Adelson.

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