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Defense industry campaign spending shifts right, still favors Obama

By edexheimer | July 31, 2012

WASHINGTON — Overall political giving among defense contractors is favoring Republicans this year, after leaning left for the past two election cycles. However, President Obama leads former Massachusetts Gov. Mitt Romney on the list of top recipients.

The defense industry has contributed more than \$15.57 million to congressional and presidential candidates, political parties and political action committees so far this year, according to July 9 figures from the Center for Responsive Politics, a non-profit, nonpartisan research group based in Washington, D.C. that tracks the effects of money and lobbying on elections and public policy. This group includes companies that contract with the U.S. government to produce weapons, plans, software and other military materials.

The majority of those funds, or 60 percent, has gone to Republicans. In 2008 and 2010, defense contractors contributed more money to Democrats than Republicans.

Even so, President Obama tops the list of presidential candidates. He has received \$351,722 in contributions from the defense industry, followed by Romney with \$233,460.

Among the top contractors, according to the center, Lockheed Martin, a manufacturer of aerospace, defense and security technology, has given \$700,00 to Democrats and \$1.2 million to Republicans and The Boeing Company, an aerospace and defense company, has given \$800,000 to Democrats and \$1.1 million to Republicans. Northrop Grumman, which also makes aerospace and defense technology, has contributed about \$700,000 to Democrats and \$900,000 to Republicans.

Benjamin Friedman, a defense scholar at the libertarian think-tank The Cato Institute, says campaign contributions among contractors is a matter of simple math.

"They tend to give money to who is in power and to incumbents," said Friedman. "And since the last election cycle, there are more Republicans."

Jim Dyer, a defense lobbyist at the lobbying and public affairs firm Podesta Group, says be believes the driving force behind political giving in the defense industry this year is the economy.

"The giving patterns this year will probably be jobs-oriented," said Dyer, a who has lobbied for United Technologies Corp. and Lockheed Martin.

"My experience with defense contributions is the defense community tends to support their friends," said Dyer, who has worked for several Republican administrations and on Capitol Hill. He explained that those "friends" include candidates who support contractors' industrial base as well as people on Capitol Hill who will promote their industry nationwide.

Cato Institute's Friedman says that he doesn't believe contractor campaign donations have a substantial impact on legislation in the long run.

"Someone can come to the conclusion that [politicians] are doing what the contractors want to get their money. But more than likely, they will do that anyways because of the districts they represent," said Friedman. "What matters far more than campaign money is local interests, and I think candidates will always vote in a way that serves local interests."

As for Obama leading Romney, Dyer says he thinks that most contributors historically favor incumbents.

"I can't explain it, but the only reason I can think of is the fear of the power of incumbency," said Dyer.

In some cases, Obama's lead over Romney is substantial. So far, employee contributions at Lockheed Martin to Obama's campaign total \$31,648 and \$22,650 to Romney's campaign. At Boeing, employee contributions total \$40,608 for Obama and \$6,000 for Romney. And at Northrop Grumman, employees have contributed \$29,185 to Obama and \$6,750 to Romney.

"In general, the large corporations do tend to give to [congressional] incumbents," said Viveca Novak at the Center for Responsive Politics. "Now, in a presidential contest, whether that holds true is difficult to predict. ... It's still too early to tell."

In addition to jobs and the economy, the looming policy issue facing the defense industry is the programs set to expire next year, which would impact weapon makers in particular because their budgets would be cut. The proposed budget crafted by Rep. Paul Ryan, a Republican from Wisconsin, would keep Pentagon spending at a record high, another possible reason for campaign contributions shifting right.

"Sequestration adds a whole new dimension," said Dyer, who said that in the past, defense campaign spending activity has generally been bipartisan. "And Republicans see it as a major issue; they're pursuing it aggressively."

The defense industry is a major power player in politics, and in the past has typically leaned Republican. But in 2008, the defense industry contributed \$12.6 million to

Democrats and only \$11.9 million to Democrats. In 2010, the trend continued, with donations to Democrats exceeding \$11.9 million and donations to Republicans totaling \$10.6 million.

Scott Amey, general counsel at the Project on Government Oversight, explains that when it comes to contractors' spending strategy, at the end of the day, they always pick winners.

"Contractors are going to support anyone in a position of power in the next Congress," said Amey. "It just shows they are trying to predict the results of what they think is going to happen...they are hedging their bets."