October 2004

The Wealth Primary

The Role of Big Money in the 2004 Congressional Primaries

U.S. PIRG
Education Fund

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Acknowledgements

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Executive Summary

In our 2002 analysis of the effects of money on the congressional primary elections, we found that large contributions—which only a tiny group of Americans can afford to make—unduly influence which candidates run for office and win elections in the United States. While wealthy donors ensure that candidates who share their views pass through the fundraising crucible, the rest of the American public is often left without representatives to advocate on their behalf. Unfortunately, the 2002 Bipartisan Campaign Reform Act (BCRA), which traded modest reforms for a doubling of hard money contribution limits, has done nothing to change the power of money to influence election outcomes.

Nowhere is the influence of big money on elections more apparent than in the U.S. congressional primary elections. Building on our analyses of the 2002 congressional primary and general elections, we examined campaign finance data compiled by the Federal Election Commission (FEC) for the 2004 congressional primaries. Predictably, we found that money continued to play a key role in determining election outcomes and that the majority of campaign contributions came from a small number of large donors (many of whom reside out-of-state).

Key findings of our analysis of the 2004 congressional primaries include the following:

The majority of 2004 congressional primary races were uncontested. Almost two-thirds (65%) of the 2004 congressional primary races were uncontested—meaning that only one candidate decided to run for his or her party's nomination for a given seat. More than half (58%) of the incumbent Senators who ran were unopposed in their 2004 primary races.

Money was a key determinant in election outcomes. Major party congressional candidates who raised the most money from individuals and political action committees (PACs) won 91% of their primary races in 2004. Winning candidates out-raised losing candidates by a 4-to-1 margin.

The vast majority of campaign contributions came from a small number of large donors. While only 0.08% of voting-age Americans made a contribution to a congressional candidate of $1,000 or more, these large donations accounted for 63% of all individual contributions received by 2004 primary candidates. Similarly, only 0.02% of voting-age Americans made a $2,000 contribution, the new maximum amount allowed under BCRA, to a congressional primary candidate. Yet more than a fifth (21%) of all individual contributions to congressional primary candidates came at the $2,000 level after BCRA went into effect.

Individual contributions greater than $200 are coming in even larger increments. In 2002, we looked at the percentage of *itemized* individual contributions—checks of $200 or more reported individually by the campaigns—coming from $1,000 donors, finding that 73% of candidates' itemized contributions came in $1,000 increments. Following BCRA, 89% of candidates' itemized contributions came in increments of $1,000 or more.

Out-of-state donors exerted significant influence on primary election contests. More than one quarter (26%) of individual contributions to 2004 congressional primary candidates came from out-of-state donors.

In order to break the stranglehold of money on politics and move toward a truly representative democracy, we must implement reform measures that will provide ordinary citizens with an equal opportunity for political participation, including:

• Lowering contribution limits;

• Limiting campaign spending;

• Providing incentives for small contributions;

• Providing free media for candidates;

• Offering candidates the choice of full public financing in exchange for forgoing private funds; and

• Requiring in-district fundraising.

Introduction

Analyses of money in politics often focus on *quid pro quo* corruption in which a donor literally buys access and influence with a decision maker. Looking only at influence peddling, however, neglects the more subtle and profound impact of money on our political system. This report focuses on the influence of money on *elections*, rather than on *politicians*, by examining its role in the 2004 congressional primary elections.

Our study's focus on the primaries—rather than general elections—particularly elucidates the role of money. As a result of aggressive partisan custom-designing of congressional districts, fewer and fewer races for a seat in the House of Representatives are competitive in any real sense. Therefore, the stiffest competition, especially for sitting members of Congress, may occur in the primaries. In these preliminary battles, the role of money is often highlighted because voters cannot resort to party labels to sort out candidates. Pure exposure—which can be bought—is even more critical.

On the other hand, money in the primaries can play a subtler role. For example, more than half (58%) of the incumbent Senators who ran were unopposed in their 2004 primary races. While this may reflect an incumbent's popularity, the dissuasive effect of an incumbent's fundraising advantage also could be at work. Incumbents perform well in the wealth primary system.[1] According to our analysis of campaign finance data compiled by the Federal Election Commission (FEC), the 11 incumbent Senators who faced challengers in 2004 marshaled their superior resources to out-raise their opponents by a 17-to-1 ratio. Moreover, 8 of these 11 Senate incumbents faced challengers who raised no money at all. With odds like these, even if more candidates wished to mount challenges to incumbents, they would be faced with the daunting task of attempting to overcome an enormous financial disadvantage. Thus, the effect of big money in politics can simply be to discourage potential challengers from running in the first place.

In the aftermath of the 2002 Bipartisan Campaign Reform Act (BCRA), which enacted the most sweeping changes to campaign finance law in a generation, some observers had hoped that the inordinate influence of money on the American electoral process would be drastically reduced. Unfortunately, the opposite has occurred. According to a recent estimate by the Center for Responsive Politics, a nonprofit organization that analyzes the role of money in politics, the money spent in the 2004 presidential and congressional elections will reach a total of at least $3.9 billion, compared with a total cost of $3 billion in the 2000 elections.[2]

The reforms under BCRA focused on regulating the so-called "soft money" donations to political parties, while neglecting the role of regulated and limited "hard money" contributions—indeed, the law even doubled the limit on individual contributions to candidates to $2,000. In this report, we look at the effect of regulated, hard money contributions on our electoral system.

Precisely as we found in our 2002 study, prior to BCRA taking effect,[3] our analysis of the 2004 primary elections reveals that the candidates who

[1] U.S. PIRG Education Fund, *The Role of Money in the 2002 Congressional Elections,* July 2003.

[2] Center for Responsive Politics, "'04 Elections Expected to Cost Nearly $4 Billion." October 21, 2004. Available at http://www.opensecrets.org/pressreleases/2004/04spending.asp.

[3] U.S. PIRG Education Fund, *The Wealth Primary: The Role of Money in the 2002 Congressional Primaries,* October 2002.

raised the most money won their races almost every time. The importance of money to winning campaigns continues to force candidates to compete in a “wealth primary,” in which those who aspire to hold federal office must acquire large sums of money.

If a candidate’s war chest were a true measure of his or her public support, the nearly inevitable victory of the best fundraisers might not be cause for concern. In such a scenario, a candidate’s ability to fundraise would be indicative of the level of his or her support among the community. It would therefore follow that those with the most grassroots support would win elections. As our analysis demonstrates, however, that is far from the case. Instead of a financial base composed of a broad swath of constituents, successful candidates tend to be funded by a small number of donors who contribute in large amounts.

As successful candidates must first and foremost appeal to this set of large donors—and not the general public—in the early stages of their campaigns, it is unsurprising that the interests and concerns of this elite segment of the population threatens to supersede those of average, non-wealthy citizens.

In fact, a recent analysis of congressional financiers has shown that the group of people who make large political contributions is not representative of the U.S. population at large. Large political donors are more likely to be white, male and wealthy. Their interests—while not necessarily less valid—are likely to be different from those of their fellow citizens.[4] This helps explain why many observers perceive public policy outcomes on issues ranging from environmental preservation to consumer protection to be out of step with public opinion.

In the end, those who perform well in the wealth primary earn the right to compete for citizens’ votes in primary and general elections. Those who are not wealthy and fail to attract support from well-heeled donors almost always lose their races—and often pack up and go home before the first vote is cast. Not only can this leave many voters without candidates who truly represent their views, but it also restricts the pool of people who are willing and able to run for public office. The true losers of the wealth primary, it seems, are in fact the American people, who are denied the opportunity to vote for many worthy candidates who genuinely represent them.

[4] Peter Francia et al., *The Financiers of Congressional Elections: Investors, Ideologues, and Intimates* (New York: Columbia University Press, 2003).

Findings: Winning the Wealth Primary

After the 2002 congressional primaries concluded, we looked at the role big money contributors played in determining which candidates decided to run for office and ultimately won their primaries. We found that those who perform well in the "wealth primary" earn the right to compete for citizens' votes in primary and general elections. Those who fail to attract support from wealthy donors almost always lose their races—and often drop out before the first vote is cast.

Since the 2002 election, the Bipartisan Campaign Reform Act has gone into effect, doubling hard money contribution limits. We sought to answer the following question for the 2004 primaries: Has this law had any effect on the role big money plays in influencing election outcomes?

To answer that question, we analyzed campaign finance data compiled by the Federal Election Commission (FEC) for the 2004 congressional primaries.[5] We found that money continued to play a key role in determining election outcomes and that the majority of campaign contributions came from a small number of large donors (many of whom reside out-of-state).

MONEY CONTINUES TO STRONGLY INFLUENCE ELECTION OUTCOMES

As our analysis of the 2002 congressional primaries showed, money is a key factor in who wins elections.[6] In 2004, 91% of candidates who raised the most money won their races—a fact that remains nearly unchanged from 2002, when 90% of the biggest fundraisers won their primary elections.[7] In the aftermath of the passage of BCRA, which enacted the most sweeping changes to campaign finance law in a generation, money is still a key determinant of election outcomes. Winning candidates exceeded losing candidates' fundraising by a 4-to-1 margin, with victorious candidates raising an average of $700,000 from individuals and Political Action Committees (PACs) and losing candidates raising an average of $162,000.

Importantly, almost two-thirds (65%) of the congressional primary races were uncontested—meaning that only one person competed for his or her party's nomination in a given district. As we have found in previous studies, incumbents have a high rate of success under the wealth primary system.[8] For example, more than half (58%) of incumbent Senators who ran were unopposed in their 2004 primary races. The 11 incumbents who faced challengers marshaled their superior resources to out-raise their opponents by a 17-to-1 ratio. Moreover, 8 of these 11 Senate incumbents faced challengers who raised no money at all; on average, these 11 incumbents raised $5.7 million from individuals and PACs.

Faced with the fundraising and other advantages of incumbency, potential challengers can be dissuaded from entering the race at all. Furthermore, in those districts that have been gerrymandered to strongly favor one party, challengers from the party not favored by the district may see little reason to launch their candidacy when it is ultimately doomed to failure.

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5 Refer to the Methodology section of this report for details about how we analyzed this data.

6 U.S. PIRG Education Fund, *The Wealth Primary: The Role of Money in the 2002 Congressional Primaries,* October 2002.

7 This includes candidates who ran unopposed.

8 U.S. PIRG Education Fund, *The Role of Money in the 2002 Congressional Elections,* July 2003; U.S. PIRG Education Fund, *The Wealth Primary: The Role of Money in the 2002 Congressional Primaries,* October 2002.

U.S. Primaries are Predominantly Funded by Large Contributors

If a candidate's war chest were a true measure of his or her public support, the nearly inevitable victory of the best fundraisers might not be cause for concern. In such a scenario, a candidate's ability to fundraise would be indicative of the level of his or her support among the community. It would therefore follow that those with the most grassroots support would win elections.

That, however, is far from the case. Instead of a financial base composed of a broad swath of constituents, successful candidates tend to be funded by a small number of donors who contribute in large amounts. The majority of 2004 candidates' donations came in amounts of at least $1,000; these big contributions constituted 63% of congressional candidates' fundraising from individuals in the 2004 primaries, up from 55% in the 2002 congressional election cycle.[9]

As noted earlier, BCRA doubled the individual contribution limit in 2002; more than a fifth (21%) of all individual contributions came at the maximum $2,000 level after BCRA went into effect. In 2002, we looked at the percentage of *itemized* individual contributions—checks of $200 or more reported individually by the campaigns—coming from $1,000 donors, finding that 73% of candidates' itemized contributions came in $1,000 increments.[10] After BCRA went into effect, 89% of candidates' itemized contributions came in amounts of at least $1,000 and 27% in $2,000 increments.

Very few Americans make political contributions at these high levels. In fact, only 385,000 Americans, or 0.18% of the voting-age population, made contributions of at least $200 to a 2004 congressional candidate in the primaries.[11] These donors become an ever more exclusive group as we climb the contribution scale. At the $1,000 level, 161,000 people donated, representing just 0.08% of eligible voters, while only 44,000 contributed the maximum $2,000 amount, representing a mere 0.02% of voting-age Americans.

These large contributions from a small group of donors accounted for the bulk of 2004 candidates' fundraising, giving a few wealthy donors a disproportionate influence over who runs and who wins in elections in the United States. A growing body of literature shows that these wealthy donors are not representative of the majority of Americans. In a recent task force report of the American Political Science Association, "American Democracy in an Age of Rising Inequality," the authors express concern that growing disparities in income have translated into unequal power in the political sphere, with the wealthiest Americans wielding greater power in part because they are far more likely to make substantial campaign contributions. The nonprofit organization Public Campaign has well-illustrated the fact these large donors represent a tiny, elite fraction of the population in its report "The Color of Money."[12] Furthermore, the Campaign Finance Institute, a nonprofit group dedicated to the analysis of money in campaigns, found that less than 6% of Americans had incomes of at least $100,000 in 2000, but donors from this group were responsible for a staggering 95% of $1,000 donations to presidential candidates in the 2000 election.[13]

According to a recent analysis of financiers of congressional elections, 95% of those who gave contributions of at least $200 to a 1996

[9] U.S. PIRG Education Fund, *The Role of Money in the 2002 Congressional Elections,* July 2003.
[10] U.S. PIRG Education Fund, *The Wealth Primary: The Role of Money in the 2002 Congressional Primaries,* October 2002.
[11] Data on voting age population as of November 2002 obtained from the U.S. Census, available at www.census.gov/population/socdemo/voting/p20-552/tab01.xls.
[12] Available on the Internet at http://www.colorofmoney.org.
[13] The Campaign Finance Institute, *Participation, Competition, Engagement*, September 2003: p. 106.

congressional candidate were white; 78% were male; 40% were more than 60 years of age; and 78% had annual incomes of at least $100,000. This stood in stark contrast to the general population at the time, where 76% were white, 52% were women, 22% were over 60, and only 8% declared an income of at least $100,000 on their tax returns. The study found that 63% of these donors were affiliated with a business organization.[14]

Another study of 1996 contributors also revealed that these large donors were more conservative on economic and environmental matters than the general population. While 52% of significant donors believed that taxes should be cut even if it meant reducing public services, the vast majority of the voting age population at the time felt the opposite, with 74% preferring not to cut domestic services in order to reduce taxes.[15] Given that this group of large contributors does not reflect the United States population as a whole, its interests may be distinct from those of society at large.

OUT-OF-STATE DONORS PLAY A SIGNIFICANT ROLE IN U.S. PRIMARIES

Congressional candidates received a substantial portion of their individual funds from donors who are not residents in the candidates' home states, as was the case in 2002. Consequently, non-constituents, particularly those who make large donations of $1,000 or more, can have a significant impact on whether the candidates of another state are sufficiently funded to win their primaries. Assuming all small, unitemized contributions are from in-state donors, out-of-state donors were responsible for more than a quarter (26%) of 2004 congressional candidates' fundraising from individuals.

[14] Peter Francia et al., *The Financiers of Congressional Elections: Investors, Ideologues, and Intimates* (New York: Columbia University Press, 2003).

[15] John Green et al, "Individual Congressional Campaign Contributors: Wealthy, Conservative—and Reform-Minded" (June 9, 1998), p. 14. Data on the general population taken from the 1996 National Election Survey at http://fisher.lib.virginia.edu/collections/stats/nes/partial.html. Percentages do not include "don't know" or missing responses.

Stories from the Field

DENNY HEATH, RETIRED BUSINESS OWNER
LOST IOWA'S 1ST DISTRICT DEMOCRATIC PRIMARY

Denny Heath entered the Democratic primary to make change "because no one else was willing to" and ended up running his campaign in direct defiance of the wealth primary system. Refusing to accept any contributions at all because "the only way you change our special interest-run system is by not taking money from the very start," he used less than $5,000 of his own money in the primary, but nonetheless garnered 40% of the vote against his opponent, a former state senator. Undeterred by his initial loss, he is now running as an Independent in the general election, hoping to set a precedent as an entirely self-financed candidate. "I would love to be the first candidate elected to office who is not beholden to big money," he declared.

He was drawn to running for office because he feels there are a lot of problems in Iowa that are unaddressed, such as the need for health care. He says politicians currently do not respond well to the concerns of the people of Iowa because "they have gotten addicted to special interest money. They have to pay favors back—that's why they don't take care of us." Mr. Heath believes he understands the needs of Iowans because he's had the experience of working hard and getting by in difficult circumstances. "I've owned my own business, I was a teacher, I worked on the railroad, and I worked my way through college—I started with no money and I know what it's like," he said.

He admits that it is difficult to run a campaign while not accepting any contributions. "Being self-financed is limiting because it's difficult to get your message out," he said. "Network TV is expensive." He is determined, however, to buck the big money system. "People told me I needed $1 million to run a campaign, but I'm going to prove them wrong."

He knows a lot of people who would make great representatives, but who are discouraged from running by the need to raise so much money. According to Mr. Heath, a system of public financing, as well as allowing political candidates to disseminate their message on TV for free, would enable more good candidates to run. "It would level the playing field not only for the candidates, but for the country," he asserted. "It would help the country to get candidates that truly represent the people."

DAVID W. PHELPS, ATTORNEY AND PUBLIC OFFICIAL
LOST ILLINOIS' 8TH DISTRICT REPUBLICAN PRIMARY

David Phelps, a longtime resident of Illinois' 8th district, is an attorney who has served for 12 years as a local public official. He was motivated to challenge the 35-year incumbent for the Republican party nomination because he felt the incumbent was doing an ineffectual job. Mr. Phelps identifies himself as a "moderate conservative Republican." His opponent, he says, is a big advocate of outsourcing American jobs. On environmental issues, he was "appalled" by the incumbent's opposition to the Clean Air Act, the Clean Water Act, and the Safe Drinking Water Act, all of which he would have supported.

Although the war chest of his opponent exceeded his own by a 17-to-1 margin, Mr. Phelps nonetheless netted 31% of the vote. He believes he lost because he was at a formidable disadvantage in facing a longtime incumbent who was able to raise a lot of money from big corporations, particularly drug and oil companies. According to the Center for Responsive Politics, the incumbent representative did indeed raise more than three-quarters of his money from PACs, the vast majority of which came from business interests. His biggest single contributor was Exelon Corp, an electricity and gas company.[16]

Lacking the funds to launch a major ad campaign, Mr. Phelps campaigned the old-fashioned way, through direct contact with voters. “My wife and I spent 13 months going door to door, holding open-house meetings at local libraries and participating in community parades and events,” he said.

The main problem with our current campaign finance system, according to Mr. Phelps, is that special interest groups can effectively buy influence. “Average individuals cannot match what is accumulated by corporations or special interest groups. The average person can’t afford to give $1,000, let alone $2,000.” Under a system of mandatory spending limits, he believes the regular person would stand a chance in a campaign. “But for the financial aspects of a campaign, you’d have a lot more qualified people running,” he maintained.

As for his own prospects, he thinks they would improve if there were mandatory spending limits to put all the candidates on a level playing field. Asked if he would consider running for federal office again, he admits that fundraising concerns are the one factor that would weigh heavily in his decision. “The battle of the campaign war chest bleeds out a lot of good people,” he said.

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[16] Data taken from the Center for Responsive Politics website at www.opensecrets.org on October 25, 2004.

Conclusion

Our analysis of the 2004 congressional primaries has revealed that the candidates who raise the most money overwhelmingly win their primary elections. Moreover, candidates are disproportionately funded by a tiny donor class that is not representative of the American public as a whole. The members of the donor elite do not necessarily share the policy views of the larger population, and their financial influence often extends beyond their home states to affect outside races. These results differ very little from our findings in the 2002 version of this report; unfortunately, the changes to campaign finance law mandated by the 2002 Bipartisan Campaign Reform Act have failed to significantly undercut the influence of big money on U.S. elections.

Allowing the wealthy few to exercise undue influence on the election process has several pernicious effects on our democratic system. In order to win the wealth primary, candidates must appeal to a small number of well-heeled contributors. Candidates without access to rich donors, or those unwilling to spend the bulk of their time soliciting money from the wealthy, find it difficult to raise sufficient funds to compete with their opponents. Many of these candidates drop out of the race, lose their primaries, or are dissuaded from running in the first place because of the unrelenting demands of fundraising. Though these candidates may have made talented public servants adept at solving society's pressing problems, the wealth primary system eliminates them from competition based on their lack of access to wealth, not on their qualifications.

Moreover, the candidates that are selected through this process may not be the best representatives of their constituencies. Wealthy donors no doubt choose to back candidates who share their views and who support policies favorable to the donor. As we have seen, however, big donors are often out of step with the rest of the population, so their chosen candidates are likely to be more representative of the donor class and less so of ordinary, non-wealthy citizens. As a result, public policy, on issues ranging from the environment to the economy, may disproportionately reflect the interests of large contributors at the expense of average citizens.

Although the wealthy few currently have undue clout in American elections, this is not an inevitable state of affairs. In order to break the stranglehold of money on our electoral system, we can take some common-sense steps toward reform. Several recommendations for viable reform are detailed in the next section.

Recommendations

In order to break the stranglehold of money on politics and move toward a truly representative democracy, we must implement reform measures that will provide ordinary citizens with equal opportunity for political participation. The following recommendations would set us on the path toward viable, comprehensive reform:

Lower contribution limits. Contribution limits for all candidates and all races should be set at a level that average Americans can afford. After all, less than one-tenth of one percent of voting-age Americans made a contribution of $1,000 or more for the 2004 primary elections. According to the Campaign Finance Institute, 70% of the contributors to 2000 presidential candidates donated in amounts of $100 or less.[17] We need policy to encourage and expand this category of donors, rather than relinquishing electoral influence to the wealthiest few. Dramatically lowering contribution limits, not increasing them, is the best way to encourage a small donor democracy.

Limit campaign spending. Elections should be contests of ideas, not battles for dollars. The use of private wealth in campaigns should be limited through spending caps so that no candidate has an unfair financial advantage. Albuquerque's spending limits, for example, have resulted in increased competition, higher than average voter turnout, and greater public confidence in local elections.[18] The Supreme Court should consent to hear the case currently challenging Albuquerque's law. It is time for the Court to revisit the flawed 1976 *Buckley v. Valeo* decision, which has prevented spending limits from becoming a common-sense solution to the problem of money in politics.

Provide incentives for small political contributions. Tax credits or refunds for small political contributions (up to $100) would encourage more small contributors to participate in the political process. This would increase the participation of average Americans, enable candidates to run campaigns geared towards non-wealthy citizens, and provide a counterweight to big money donors.

Provide free media for candidates. The American public owns our airwaves, which were granted to broadcasters for free in the condition that they operate "in the public interest." A well-functioning democracy demands that citizens have access to a range of information and a diversity of opinions on the choices confronting us. It also demands that candidates for public office be able to communicate with voters. Free broadcast airtime should be provided to candidates, which would dramatically decrease the cost of campaigns and would allow those who are not favored by wealthy donors to get their messages out.

Provide candidates with a clean money option. Our electoral system should give candidates the option of forgoing private contributions and receiving limited amounts of full public financing. We should start by providing full public financing for presidential elections and eventually extend this program to include congressional elections. The states of Maine and Arizona have successfully implemented "clean elections" programs on the state level, resulting in increased competition, a more level playing field for candidates, and reduced

[17] The Campaign Finance Institute, *Participation, Competition, Engagement*, September 2003.
[18] Anthony Gierzynski, *Albuquerque Election Financing: An Analysis*, University of Vermont, p. 6; Lake Snell Perry & Associates and John Deardourff/The Media Company, *Public Perceptions of Campaign Spending Limits: Findings from a Survey of 400 Registered Voters in Albuquerque, New Mexico*, August 1998: p. 3,5.

influence of wealthy special interests over the electoral process.[19]

Require in-district fundraising. Candidates should be required to raise all or most of their funds from the constituents they seek to represent. This measure will make representatives more accountable to their constituents and reduce the influence of outside interests.

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19 Money & Politics Implementation Project, *Revitalizing Democracy: Clean Election Reform Shows the Way Forward*, January 2002: p. 7-8.

Methodology

Data Sources

• Candidates. We obtained a list of candidates running in the 2004 election cycle from the Federal Election Commission, "Candidate Master File," cn04.zip, available for download at http://www.fec.gov/finance/ftpdet.htm.

• Individual Contributions. We obtained a full detail of all itemized individual contributions to federal candidates for the 2004 election cycle (and the 2000 and 2002 election cycles for Senate candidates) from the Federal Election Commission, "Contributions by Individuals," indiv04.zip, indiv02.zip, and indiv00.zip, at http://www.fec.gov/finance/ftpdet.htm. We downloaded this data on October 18, 2004. Note that candidates are not required to itemize contributions under $200.

• PAC Contributions. We obtained a full detail of all PAC contributions to federal candidates for the 2004 election cycle (and the 2000 and 2002 election cycles for Senate candidates) from the Federal Election Commission, "Contributions to Candidates from Committees," pas204.zip, pas202.zip, and pas200.zip, available at http://www.fec.gov/finance/ftpdet.htm.

• Summary Data on Candidates. We obtained summary data on candidates' fundraising from all individuals, including unitemized contributions, from the Federal Election Commission, webl04.zip, webl02.zip, and webl00.zip, available at ftp://ftp.fec.gov/FEC/.

Election Cycles

For Senate candidates, we looked at fundraising by the candidates' committees since the beginning of the 2000 election cycle (January 1, 1999). For House candidates, we looked at fundraising by the candidates' committees since the beginning of the 2004 election cycle (January 1, 2003). However, if a current member of the House is running for a Senate seat, we only counted money raised during the 2003-2004 election cycle as not to count money raised and spent for a previous House campaign, *unless* the candidate formed a new fundraising committee for his/her Senate campaign.

Percentage of Biggest Fundraisers Who Won

To determine the percentage of time the candidate who raised the most money won his/her primary election, we totaled the amount each candidate raised from itemized individual contributions and PACs through the date of the primary election or run-off election. For races in which opponents raised relatively equal amounts of money from itemized individual contributions and PACs, we then referred to the candidates' pre-primary filings with the FEC to determine if unitemized individual contributions favored one candidate over another.

To calculate the percentage, we added the number of winning candidates who raised the most money and the number of unopposed candidates and then divided by the total number of races.

If none of the candidates in a primary race raised at least $5,000, we excluded that race from our calculations.

PAC Contributions

We counted only contributions of type 24K, which are normal checks to a candidate's committee from a PAC.

Percentage of Individual Contributions Coming in $1,000, $2,000, etc.
In calculating total individual contributions raised in various increments (i.e. $1,000), we made two key assumptions.

• We counted only contributions of type 15 or 15E. Type 15 contributions are hard money contributions made directly by an individual to a candidate's committee. Type 15E contributions are earmarked contributions reported by candidates and others who have received contributions that passed through other organizations, rather than coming directly from the contributor.

• We counted multiple contributions to a single candidate as a single contribution if a) the contributor's name was identical in each contribution record; b) the zip code was identical in each contribution record; and c) the candidate's campaign committee identification number was identical in each contribution record. (If John Q. Brown from the zip code 90290 made four $250 contributions to Senator Smith's campaign committee, we counted this as one $1000 contribution. However, if John Brown, John Q. Brown, J.Q. Brown and John Quincy Brown from 90210 made four $250 contributions to Senator Smith's campaign committee, we counted this as four separate $250 contributions.) Therefore, our numbers are likely quite conservative, as frequent contributors often spell their names differently with each contribution and often alternately list their home, work and secondary residence zip codes as the origin of the contributions.

To calculate the percentage of individual contributions coming from $1,000 increments or more, we first grouped the itemized contributions as detailed above and then summed those of $1,000 or more. We then divided the sum by the total individual contributions raised by the primary candidates, which includes unitemized contributions under $200.

Percentage of Voting Age Population Giving $1,000, $2,000, etc.
To calculate the percentage of the voting age population giving in various increments (i.e. $1,000), we grouped together $1000+ donors by name and zip code, building on our grouping of $1000+ donations, as detailed above. If John Q. Brown from 90210 gave $1000 to Senator Smith and $1000 to Senator Jones, then we counted John Q. Brown as one donor. However, if John Quincy Brown from zip code 90210 gave $1000 to Senator Smith and John Q. Brown from zip code 90210 gave $1000 to Senator Jones, then we counted this as two donors. Similarly, if John Quincy Brown from zip code 90210 gave $1000 to Senator Smith and John Quincy Brown from zip code 20003 gave $1000 to Senator Jones, then we counted this as two donors. Therefore, our numbers are likely conservative, as frequent contributors often spell their names differently with each contribution and often alternately list their home, work and secondary residence zip codes as the origin of the contributions.

Percentage of Individual Contributions from Out-of-State Donors. An "out-of-state" contributor is one who lists as his/her home state as one that is different than the state represented by the recipient candidate. To calculate the percentage, we summed up the itemized individual contributions raised by primary candidates from out-of-state donors and divided the sum by the total amount of money raised from individuals, including unitemized contributions. We assumed, conservatively, that all unitemized contributions are from in-state.