

The Role of Money in the 2002 Congressional Elections

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Executive Summary

This report provides a summary of the role of money in the 2002 congressional elections. While most analysts have focused on soft money in recent years, our findings indicate that hard money plays a more critical role in the political process.

The primary problem with money in politics is that large hard money contributions—which only a small fraction of the public can afford to make—unduly influence who is able to run for office and who wins elections in the United States. Without personal wealth, or the ability to raise large sums of money from wealthy contributors, many aspiring candidates are locked out of the process. Those voters who wish to support views that are rejected by wealthy donors are left without an outlet. Ultimately, successful candidates are more accountable to an elite donor pool than to the majority of their non-wealthy constituents.

The key findings from our analysis of Federal Election Commission (FEC) campaign finance data for the 2002 election cycle and academic estimates are as follows:

Total election spending tops last non-presidential year. At least \$2.376 billion was spent for the purpose of influencing 2002 congressional elections. This figure falls short of the record-breaking 1999-2000 election cycle, but tops the last non-presidential cycle.

Hard money is the currency of elections. Almost three fourths (71%) of the money spent to influence 2002 elections was limited and regulated hard money. This money is more important than soft money because it is spent earlier and in more races.

Hard money was a key determinant in 2002 election outcomes. 94.0% of the candidates who raised the most hard money won their 2002 general elections. In primary elections, the candidate who raised the most money won 90% of the time.

Winners significantly out-raised losers; incumbents significantly out-raised challengers. 2002 primary election winners out-raised losers by a margin of 4.7-to-1. General election winners out-raised losers by approximately 4-to-1. Incumbents out-raised general election challengers by approximately 4.5-to-1.

U.S. elections are predominantly funded by a small number of large contributors. Just 0.22% of the U.S. voting age population contributed at least \$200 to a 2002 congressional candidate; this narrow donor pool was responsible for 76.0% of all individual candidate contributions. Only 0.09% of the population made contributions of at least \$1,000 and accounted for 55.5% of individual contributions to 2002 congressional candidates.

Small donors are overwhelmed by big money contributors. Only 13.4% of candidates' total receipts came from individual donors contributing less than \$200.

Out-of-district and out-of-state donors exerted considerable influence on 2002 congressional election contests. House candidates raised 55.6% of their itemized individual contributions and an estimated 65.4% of their funds from outside of their districts. 40% of itemized individual contributions to 2002 Senate candidates came from outside of their home states.

Members of Congress tend to be wealthier than the general public. 42% of the members of the Senate and 23% of the members of the House of Representatives are millionaires, compared with 1.0% of the U.S. voting age population.

The Bipartisan Campaign Reform Act (BCRA) will not “get big money out of politics,” but will increase the influence of wealthy donors over who runs for federal office and who wins elections in the United States. We predict that in future election cycles, candidates will raise a greater proportion of their funds from large donors and less of their money from average Americans. The fraction of 1% of Americans who can afford to give contributions of \$1,000 or more will exert even greater undue influence over federal elections.

Introduction

Some campaign finance analysts will no doubt view 2002 as the year of “soft money.” The year began with debate raging about the McCain-Feingold legislative proposal to place new regulations (or restore old ones, depending upon one’s perspective) on the unlimited corporate, labor, and individual contributions that have captured headlines and raised the specter of political corruption.

In March 2002, Congress passed the proposal as the Bipartisan Campaign Reform Act (BCRA). Proponents and detractors agreed that BCRA was the most significant revision of campaign finance law in a generation.

Finally, the year ended with what Professor David Magelby has described as the “last hurrah” for soft money fundraising—a frenzy in which parties reached out to their largest donors for final checks. Many responded with record-breaking contributions, and the parties raised approximately the same amount of soft money in the off-year 2002 cycle as they did during the last presidential campaign cycle. The new law then went into effect the day after the November 2002 elections.

However, this report will show that the single most significant provision of the McCain-Feingold legislation was one that was barely discussed before passage. In addition to regulations on soft money, BCRA increased a set of hard money contribution limits, including doubling the amount that individuals are permitted to give directly to candidates’ campaigns.

Despite the near-universal focus on soft dollars in 2002, this report demonstrates that hard money has quietly played a much more pervasive and important role in our political system. Most of the discussion of proposals to regulate soft money focused on the influence of big money on politicians and the prospect of *quid pro quo* corruption. But looking only at influence-peddling masks the more significant influence of money on elections. Hard money is the currency of elections, playing the critical role in determining which candidates are able to mount competitive campaigns and who wins office on Election Day.

In examining hard money contributions closely, we found some troubling patterns. The candidates who raised the most hard money won their 2002 elections nearly every time. The importance of money to winning has forced candidates to compete in what legal scholars John Bonifaz and Jamin Raskin call a “wealth primary.” Those who aspire to hold federal office must have access to large sums of money. If not wealthy themselves—as increasing numbers of office-seekers are—candidates

Hard money is the currency of elections, playing the critical role in determining which candidates are able to mount competitive campaigns and who wins office on Election Day.

must raise this money. Rather than reaching out to average citizens, however, we found that most congressional candidates are raising a large portion of their funds from a small percentage of the population who are giving at levels that most citizens cannot afford. This is true to an even greater extent of successful candidates.

Previous research has demonstrated that large contributors are not representative of the general population; they are more conservative than the public at large on a variety of issues ranging from environmental protection to taxes, health care, and poverty reduction programs. Because it is this elite donor pool—and not the general public—to which candidates must appeal in order to acquire the resources to run a competitive campaign, the interests and concerns of this segment of Americans are privileged above those of average, non-wealthy citizens. Those candidates who lack personal wealth and fail to attract support from wealthy donors nearly always lose their races or drop out before the first vote is cast. Countless potential candidates assess this situation and make the perfectly rational decision not to run in the first place.

The systemic filtering of candidates and the disproportionate influence of wealthy donors may explain why public policy outcomes often seem out-of-step with public opinion.

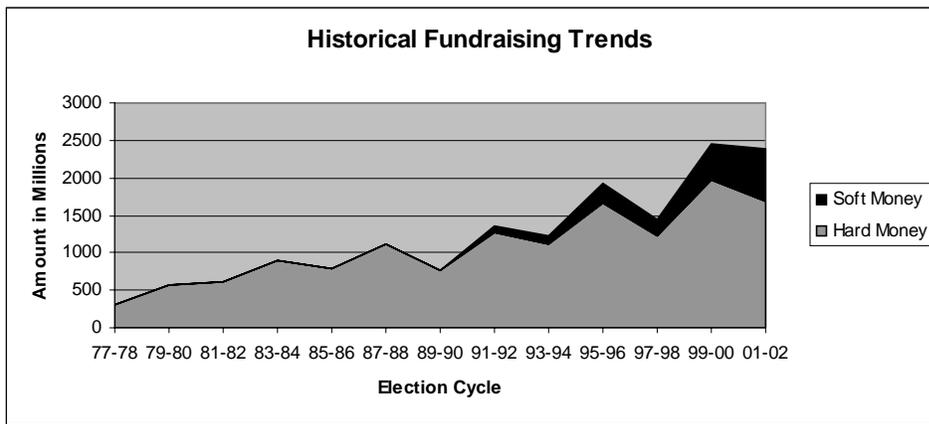
Legal scholars and campaign finance analysts are still debating the constitutionality and the true impacts of the Bipartisan Campaign Reform Act. The Supreme Court will address the statute's constitutionality in the coming months and likely will rule before the end of 2003. This report will provide a baseline for measuring the true impact of BCRA on financing of political campaigns in the future. By comparing the figures provided in this analysis with campaign finance data in future election cycles, we will be able to replace speculation about BCRA's effects with empirical analysis.

Towards the end of our study we offer our own predictions as to the impact of the law, as well as a set of concrete recommendations for ending the "wealth primary" system and reversing the most troubling consequences of BCRA. By following this simple roadmap, we can create a fair campaign finance system in which elections are contests of ideas and wealthy donors cannot drown out the voices of ordinary citizens.

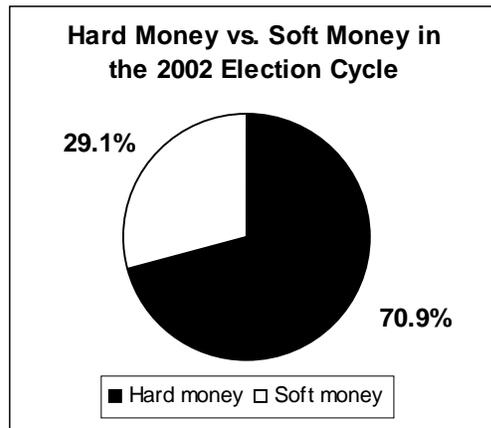
The Big Picture

Total Money Spent in the 2002 Elections

Based on analysis of data from the Federal Election Commission (FEC) and the Internal Revenue Service (IRS) and academic studies, we estimate that at least \$2.376 billion was expended for the purpose of influencing the 2002 federal elections.^a



Of this total, \$1.684 billion (70.9%) was “hard money,” funds that are limited and governed by federal campaign finance law. \$692.3 million (29.1%) was “soft money,” unlimited contributions from corporations, labor unions, and wealthy individuals, and electioneering spending by outside interest groups that fell outside of federal laws governing campaign finance for the 2002 election cycle.^b



^a This includes money raised by candidates, political parties, political action committees and 527 organizations (which is considered to have been “expended” by the individual/entity making the contribution), as well as money spent on the purchase of airtime for television advertisements by outside issue groups and independent expenditures.

^b Much of the soft money included in this estimate is now regulated by BCRA.

In the midst of the debate on whether to pass new regulations on soft money, proponents of BCRA focused public attention on unlimited contributions and their impact on the political process. Many analysts lost sight of the fact that hard money is far more prevalent and important. The hard money percentage reported in this figure is actually artificially low compared with most years, as it was influenced by the passage of BCRA. The prospect of a soft money “ban” prompted political parties to reach out to donors with a “last chance” message. Many donors responded with record contributions, inflating soft money figures.^c National party committees raised more than \$70 million in soft money in the final 20 days of the 2002 election cycle, averaging more than \$3.5 million per day.¹

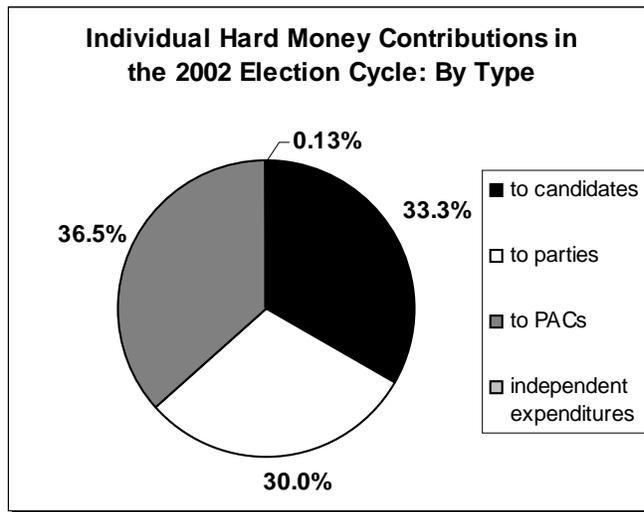
In fact, the Democratic and Republican parties raised approximately the same amount of soft money in the 2002 cycle as they did in 2000.² This is unusual given that 2000 featured a highly competitive presidential race, whereas 2002 did not. In the last non-presidential cycle, 1998, soft money accounted for just one third of the funds raised by the Democratic and Republican parties (as compared with more than one quarter of total election fundraising this cycle).³ In 2000, soft money accounted for just 17% of the \$2.9 billion spent to influence federal elections.⁴

^c For example, the Center for Responsive Politics (www.opensecrets.org) reports that Democrats received \$12.28 million from Saban Capital Group, \$7.39 million from Newsweb Corp., and more than \$6 million from AFSCME and Shangri-La Entertainment.

Hard Money in the 2002 Elections

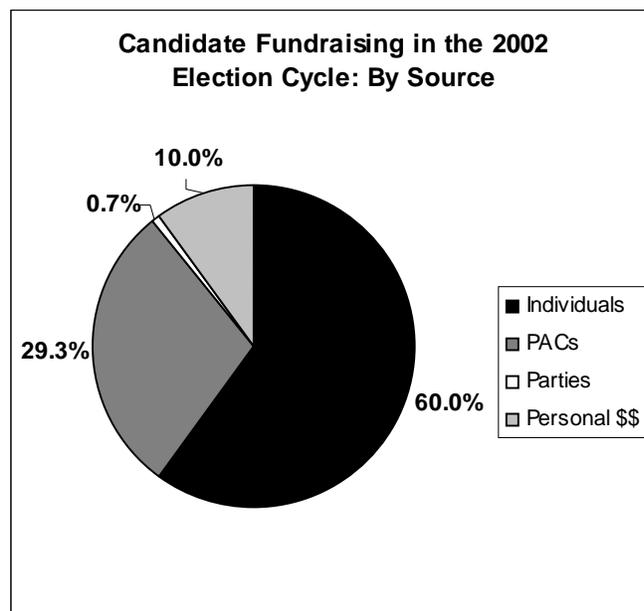
Individual Contributions

Of the total \$1.684 billion in hard money contributed by individuals in the 2002 election cycle, \$560.9 million (33.3%) was contributed directly to candidates; \$505.8 million (30.0%) was contributed to political parties; \$615.5 million (36.5%) was contributed to political action committees (PACs); and \$2.2 million (less than 1%) was spent by individuals as “independent expenditures.”^d



Candidate Fundraising

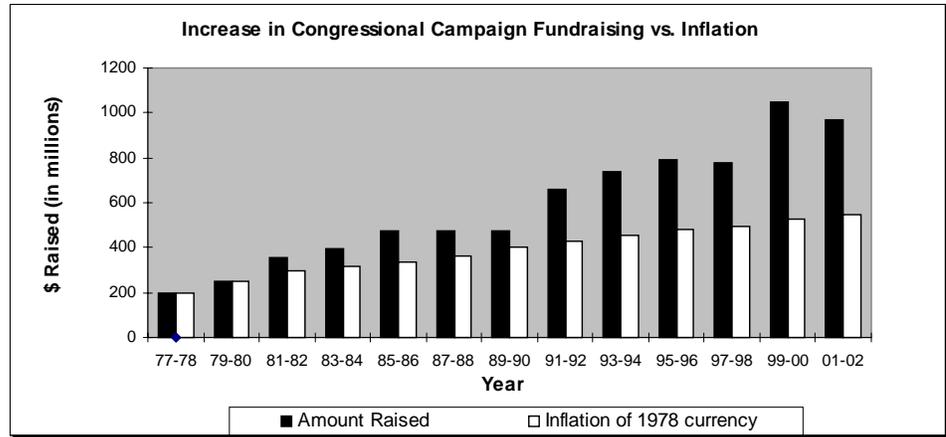
Although some of the money given to parties and PACs was spent independently, or not expended on this election cycle, much of it was given to candidates. However, candidates raised the majority of their funds through individual contributions. Of the \$935 million raised by candidates, more than \$560.9 million (60.0%) came from individuals; \$273.5 million (29.3%) from PACs; \$6.75 million (less than 1%) came from political parties; and \$93.7 million (10.0%) came from personal funds.^e



^d In order to avoid double counting any contributions, all hard money was traced back to individual contributions, the origin of all money regulated by federal campaign finance law.

^e Total candidate fundraising does not include interest payments and other miscellaneous receipts. Total candidate receipts reported by the FEC for the 2002 election cycle were \$969.5 million; when including receipts by Senate candidates between January 1, 1997 and December 31, 2000, total candidate receipts equal \$1.007 billion.

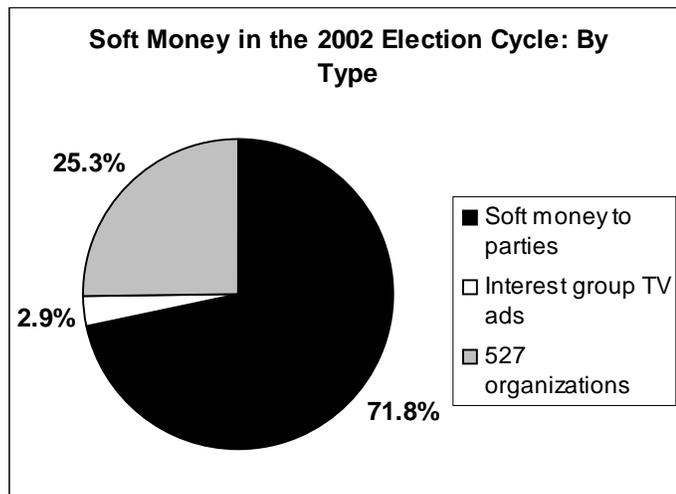
Although candidate fundraising was down slightly from the record-breaking 1999-2000 election cycle, overall candidate fundraising since 1978 has well outpaced inflation.



Soft Money in the 2002 Elections

Of the total \$692.3 million in soft money used to influence the 2002 elections, \$496.9 million (71.8%) was contributed to national political parties; \$20 million (2.9%) represented spending on electioneering television advertisements by interest groups;^{f,5} and \$175.4 million (25.3%) was money raised by 527 organizations.⁶

Many tax-exempt 527 organizations are created for the purpose of influencing federal elections but do not engage in “express advocacy.” These groups are not regulated by the FEC. As long as they avoid communications that use such words as “vote for” or “vote against” in referring to a federal candidate, they may raise unlimited contributions from corporations, unions, and individuals. Of the money raised by 527s, \$69.8 million (40%) was raised by organizations connected with a federal candidate—often called “leadership PACs.”⁷



^f This only includes the cost of TV buys for the calendar year 2002.

Hard Money: The Currency of Elections

During the long campaign to pass BCRA, the law's supporters focused public attention on soft, or non-federal, funds. These contributions were unlimited and loosely regulated, raising legitimate concerns about corruption or its appearance. However, it can be easy to forget that hard money—contributions that are limited and regulated by federal campaign finance law—is the true currency of federal elections. As detailed above, there is simply much more hard money in the process than soft. In addition, hard money is actually more valuable and more important money because of how and when it is spent.

Candidates and political parties may spend hard money on any activity that is legitimately connected with a bid for federal office. Soft money, by contrast, was intended to be spent only on “party-building activities.” Even before BCRA, it could not be contributed directly to candidates’ campaigns. Although loopholes in campaign finance law and FEC regulations have enabled parties to move beyond party infrastructure and get-out-the-vote spending with soft money into the realm of electioneering, parties still faced legal restrictions on how the money could be used.

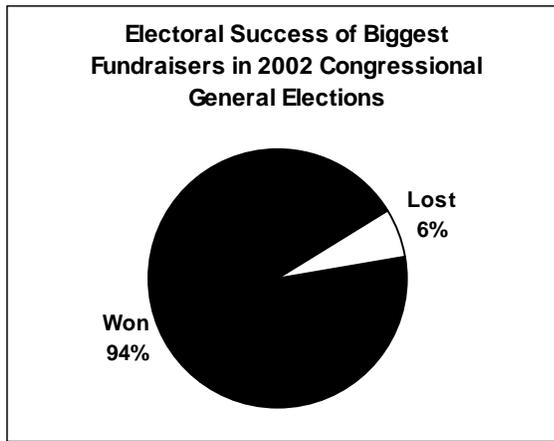
Perhaps more important than how hard and soft money are used is when and by whom the two types of funds have been spent. Because most soft money was controlled by the major political parties, it was predominantly spent in a relative handful of highly competitive general elections—and hardly ever in primaries. Most hard money, by contrast, is controlled by candidates themselves. Early hard dollars are critical in determining who is able to mount a viable campaign and gain the support—financial and otherwise—of each political party; much of this most valuable currency is raised months, or even years, before public campaigns are in full swing. Incumbents spend years building up war chests of hard dollars that will scare off potential challengers, while challengers must compete for hard dollar contributions from a narrow donor community in order to win their party’s nomination.

So, while soft money may very publicly swing a handful of general elections each election year, hard money quietly shapes the candidate pool every single day—rewarding successful fundraisers with party backing and nominations, filtering out candidates who fail to mobilize a network of top-dollar donors, generally determining whom the voters will get to choose from on election day, and greatly influencing that choice.

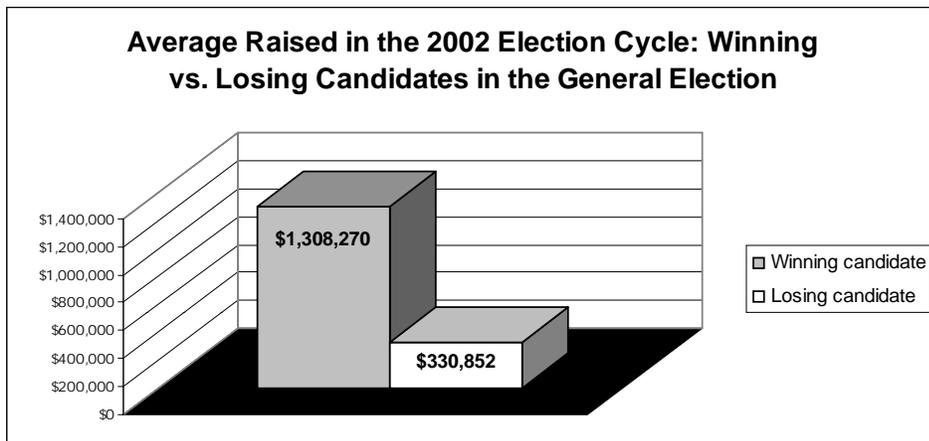
Given that hard money plays the critical role in determining who runs for federal office and who wins elections, it is worth examining the impact of various types of hard money contributions in depth.

Hard Money Influences Election Outcomes

The 2002 election cycle demonstrates clearly that money is a key factor in determining election outcomes. In the 2002 congressional primaries, 90% of the candidates who raised the most hard money won their races. In the 2002 general elections, 94.0% of the biggest fundraisers emerged victorious.⁹



Furthermore, winners usually out-raise losers quite significantly. According to FEC data, 2002 primary election winners out-raised losers by a margin of 4.7-to-1. General election winners out-raised losers by approximately 4-to-1.



⁹ 93.8% of the biggest spenders won their general election contests.

U.S. Elections are Predominantly Funded by a Small Number of Large Contributors

Some analysts agree that money is an important determinant in election outcomes, but do not view this as problematic. Many see fundraising ability as a good indication of candidate popularity. According to this view, if a candidate is able to raise more money, it is likely because she is a more skilled campaigner or because her message resonates more deeply with the electorate.

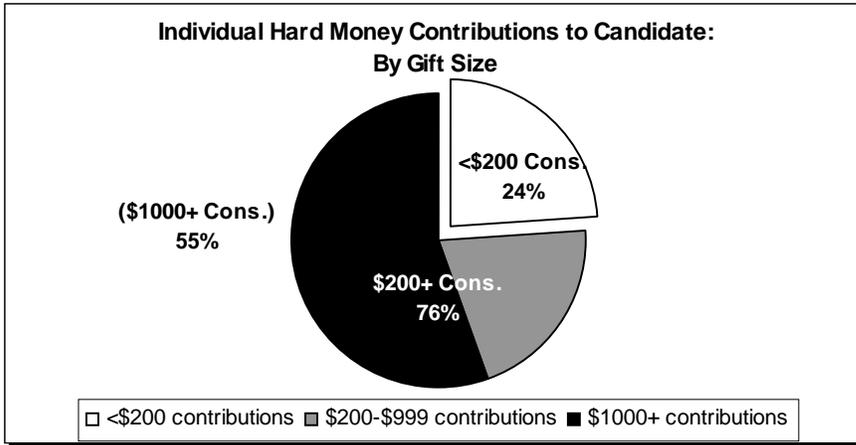
...0.22% of voting age Americans were responsible for more than three quarters of individual contributions to 2002 federal candidates...

This would be a reasonable conclusion if candidates were raising most of their funds from average citizens. In this scenario, the amount of money someone can raise would be an approximate proxy for his or her level of support in the community. It would therefore follow that those with more grassroots support would out-raise their opponents and win most elections.

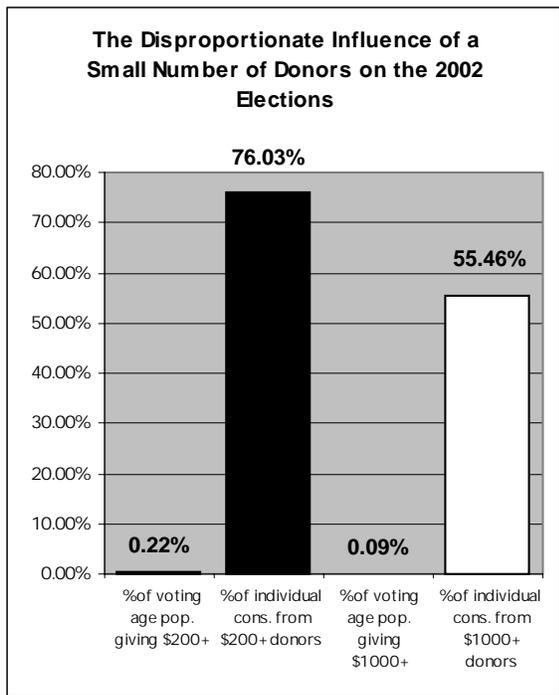
In reality, however, most candidates for federal office depend upon the support of a relative handful of individuals who can afford to make large contributions to their campaigns.

Very few Americans make any political contribution at all. Experts estimate that in the 1996 election cycle, only 4% of Americans made a contribution of any size to a federal, state, or local candidate.⁸ However, an even smaller number give the large contributions that account for the vast majority of campaign funds. According to our analysis of FEC data, approximately 465,408 Americans made a contribution of \$200 or more to a 2002 congressional candidate.^h This amounts to just 0.22% of the voting age population of the United States. Approximately 202,245 people, or 0.09% of the population, made a contribution of at least \$1,000 to a candidate running for Congress in 2002.

^h This is certainly an overestimate (so for our purposes a conservative estimate) of the number of people who contributed at this level. We started with the number of contributions (vs. contributors) at this level and made our best effort to eliminate duplicates (single contributors who made more than one contribution at or above this level). However, our aggregation method would only eliminate duplicates if the contributor spelled his/her name exactly the same each time. This is often not the case. So, our estimate likely includes significant numbers of duplicates.



This relative handful of large donors wields significant influence. According to our analysis of FEC data, 76.0% of the hard money funds raised from individuals by 2002 congressional candidates came in the form of contributions that were greater than or equal to \$200. Contributions of \$1,000 or more accounted for 55.5% of the hard money funds candidates raised from individual contributions.ⁱ



Candidates who were successful in the 2002 elections depended upon large contributions to an even greater extent. Fully 77.9% of the money that winning candidates raised from individuals came in contributions at or above \$200, and 60.0% of their individual money was from contributions greater than or equal to \$1,000.

This means that 0.22% of voting age Americans are responsible for more than three quarters of individual contributions to 2002 federal candidates and nearly 80% of those made

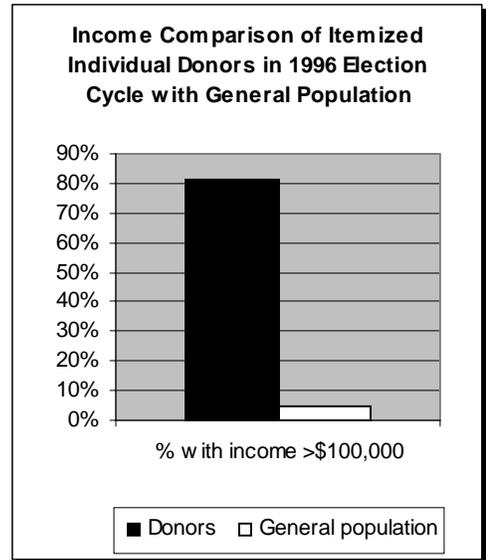
ⁱ The individual contribution limit in effect for the 2002 election cycle was \$1,000 per election, or \$2,000 per election cycle. This means that an individual was permitted to contribute \$1,000 to a candidate's primary campaign and then another \$1,000 to the same candidate's general election campaign. The recently passed Bipartisan Campaign Reform Act (BCRA) doubled this limit to \$2,000 per election effective November 6, 2002.

to winners of the 2002 congressional elections. Those making contributions under \$200 account for just 24.0% of individual political contributions to all candidates and merely 22.1% to winning candidates.

The exaggerated influence of large contributors might not be noteworthy if these donors represented a random sampling of the American population, ensuring that the disparate political views of the populace were being represented faithfully. However, this is not the case. The large donors responsible for much of the money raised by congressional candidates are not representative of the general population of the United States.

According to a nationwide survey funded by the Joyce Foundation during the 1996 congressional elections, 81% of those who gave contributions of at least \$200 reported annual family incomes greater than \$100,000. This stood in stark contrast to the general population at the time, where only 4.6% declared an income of more than \$100,000 on their tax returns.⁹

Because this segment of society does not reflect the United States population as a whole, its interests may be distinct from those of society at large. In fact, investigators found that large donors are significantly more conservative than the general public on economic matters, tending to favor tax cuts over anti-poverty spending.¹⁰



...Contributions from individuals giving less than \$2000 accounted for 13.4% of total candidate receipts...

The influence of small individual donors drops even further when political action committee (PAC) and party contributions are taken into account. PACs are permitted to raise contributions of up to \$5,000 from individuals and give

contributions of up to \$5,000 to candidates. Although it is difficult to determine what percentage of contributions to PACs is made by small contributors,^j many PACs are funded primarily by large donations from executives and other high-ranking corporate officials. Parties are permitted to transfer \$17,500 to a Senate candidate and \$5,000 to a House candidate. When taking PAC and party contributions into account, contributions from individuals giving less than \$200 to candidates

^j Many employees and union members make small monthly contributions to PACs that are not disclosed, making it difficult to determine their average contribution size.

accounted for 14.4% of total candidate fundraising and 13.4% of total candidate receipts in the 2002 federal elections.

The clout of smaller donors has been falling over the years. For example, in the 1976 election cycle, 33.2% of candidates' total receipts came from individual contributions under \$100. Twenty years later, in the 1996 elections, only an estimated 10% of candidates' total funds came from these small contributions. Today, the comparable estimated figure for contributions less than \$100 would be 7%.^{11,k}

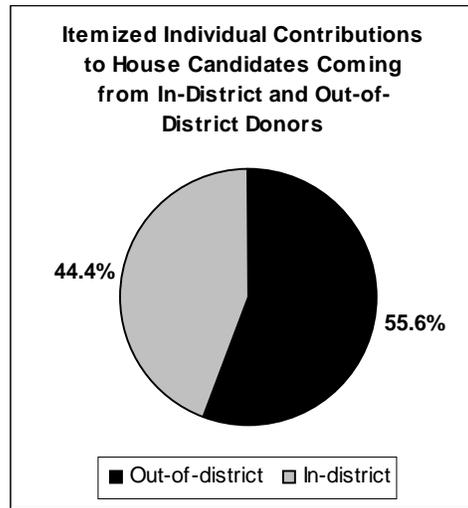
It is impossible to measure this number exactly because Congress has raised the disclosure threshold to contributions of at least \$200. In order to more accurately measure contributions that are within the range of what average Americans can afford, this threshold should be lowered back to \$100.

...A small number of disproportionately wealthy Americans making the bulk of campaign contributions enjoy outsized influence over who runs for office and who wins elections...

If money is a key factor in determining election outcomes, then a small number of disproportionately wealthy Americans making the bulk of campaign contributions enjoy outsized influence over who runs for office and who wins elections in the United States. The vast majority of citizens who make small contributions or none at all have comparably little influence on the process of selecting and anointing candidates, and their clout is falling each year.

^k One-hundred (100) 1976 dollars equals \$322.50 in 2003 dollars. Adjusting for inflation, only an estimated 17.1% of candidates' total 2002 receipts came from contributions less than or equal to \$100, approximately half of the 1976 level.

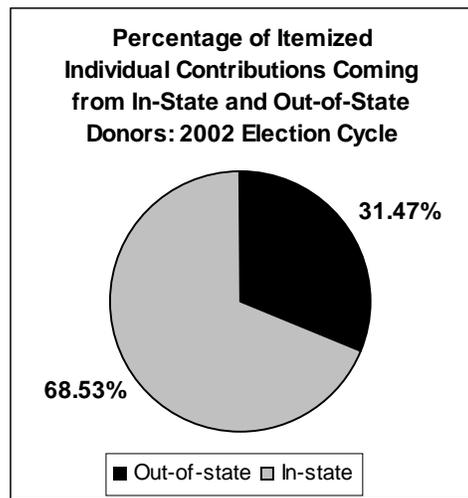
Out-of-District and Out-of-State Donors Play a Significant Role in Congressional Elections



Candidates for Congress in 2002 raised a significant portion of their campaign funds from contributors who do not reside in their districts—or even their home states. In effect, individuals who are not eligible to vote for local candidates are still able to wield considerable influence over which ones raise the most money and win their primary or general elections.

Analysis of FEC data indicates that 55.6% of itemized individual contributions to 2002 House

candidates came from outside of candidates' districts.^l If we assume for estimation purposes that all un-itemized contributions (those less than \$200) come from within the candidates' districts (a conservative estimate since some surely do not) and all PAC contributions come from outside of their districts (a non-conservative estimate since some donors to a PAC or party probably do reside in any given candidate's district, but reasonable since many PACs are incorporated in Washington, DC or its surrounding suburbs), then an estimated 65.4% of 2002 House candidates' fundraising was out-of-district.^m



Our analysis also indicates that House candidates raised 25.3% of their itemized individual contributions from outside of their home states. Senate candidates raised 40% of their itemized individual contributions from out of state. Overall, 31.5% of itemized individual contributions to 2002 congressional candidates came from outside of candidates' home states.

^l Candidates are required to disclose the name, address, occupation, and employer of all donors who make contributions of at least \$200. These are considered "itemized" contributions. Contributions below \$200 do not require disclosure, and are considered "un-itemized."

^m This analysis excludes candidates' personal contributions and party contributions.

In addition to finding that many contributions come from out-of-district, or even out-of-state, we found that certain key locations are responsible for a significant portion of individual contributions. The 100 top-giving zip codesⁿ in the United States accounted for \$72.4 million, or 17% of total itemized individual contributions to 2002 congressional candidates and only 0.89% of the U.S. population. The top 10 zip codes gave more than \$15 million, or 3.5% of all itemized individual contributions, even though these neighborhoods account for just 0.13% of the U.S. population.¹²

Given that money is a key factor in determining election outcomes, wealthy residents of select zip codes in New York, Beverly Hills, Atlanta, and Washington, DC and its surrounding suburbs had approximately 27 times more influence on congressional elections throughout the country than their population warrants.

Wealthy neighborhoods in New York, Beverly Hills, and a few other cities had approximately 27 times more influence on congressional elections than their population warrants.

Top 10 Zip Codes for Itemized Individual Contributions to Congressional Candidates: 2002 Election Cycle

Zip Code	Cities Included in Zip Code	State	Total Itemized Individual Contributions
10021	New York	NY	\$2,669,626.00
20854	Potomac, Rockville	MD	\$1,678,962.00
20007	Washington, DC	DC	\$1,569,282.00
10022	New York	NY	\$1,388,562.00
20016	Washington, DC	DC	\$1,370,095.00
22101	McLean	VA	\$1,352,224.00
20008	Washington, DC	DC	\$1,327,147.00
20815	Bethesda, Chevy Chase	MD	\$1,320,656.00
90210	Beverly Hills	CA	\$1,185,781.00
30327	Atlanta	GA	\$1,150,390.00

ⁿ Note that \$16.2 million in individual itemized contributions do not have a zip code associated with them in the FEC database. Therefore, the totals for the top 100 and top 10 zip codes likely are conservative.

Wealthy Candidates

With recent high profile examples of self-financed candidates winning federal office, many analysts are concerned about the impact of wealthy candidates on our campaign finance system.^o Parties have started to aggressively recruit candidates with the ability to self-finance, allowing party committees and less vulnerable incumbents to direct scarce resources to other highly contested races.

Our analysis of FEC data shows that examples of wealthy candidates “buying” office with personal money were more the exception than the rule in 2002. Only 9.4% of candidates who spent at least \$500,000 on their races emerged victorious. 15.1% who spent at least \$100,000 and 14.5% who spent at least \$50,000 won office on Election Day.

However, even if candidates are not “buying office” with their own money most of the time, the wealthy candidate phenomenon may be indicative of an increasing pattern in which only the wealthy or well-connected are able to mount viable campaigns for federal office. The next section examines this phenomenon.

^o The highest profile example of a wealthy candidate to date at the federal level was Jon Corzine’s (D-NJ) 2000 U.S. Senate victory, on which he spent more than \$60 million in personal funds. According to FEC reports, during the 2002 cycle Sen. Lautenberg (D-NJ) spent more than \$1.5 million, Sen. Alexander (R-TN) spent \$900,000, and four members of the House of Representatives spent more than \$400,000 in personal funds on their winning campaigns.

The Wealth Primary System

John Bonifaz and Jamin Raskin coined the term “wealth primary” in a 1993 Yale Law Review article.¹³ They argued that the critical role of money in determining election outcomes forces candidates to compete in a “wealth primary,” in which those who aspire to hold federal office must acquire large sums of money for their campaigns. Those who perform well in the “wealth primary” earn the right to compete for citizens’ votes in primary and general elections.

The Wealth Primary Determines Who Runs

We have seen that the candidate who raises the most money nearly always wins his or her election. Successful candidates traditionally—and increasingly—rely on a small minority of wealthy donors to provide the vast majority of their support. Some are now turning to their own bank accounts for the resources necessary to mount a successful campaign.

More than one quarter of the members of Congress are millionaires, compared with 1% of the population.

Given the need for personal wealth or the ability to mobilize contributions from wealthy donors, it is not

surprising that increasingly, federal election winners come from an elite segment of society. The Associated Press reported last December that nearly 43% of members of Congress first elected in 2002 are millionaires.¹⁴ Our own analysis of congressional financial disclosure data and reporting by *Roll Call* reveals that 42% of the Senate, 22.5% of the House, and 26.2% of the entire Congress are millionaires, compared with just 1.0% of the U.S. voting age population.¹⁵

The over-representation of the extremely wealthy in our national legislature is noteworthy in and of itself. Americans might reasonably question whether a largely well-heeled body can or will represent the needs of an economically diverse populace. While being deposed for a lawsuit challenging the recent increases in hard money contribution limits (*Adams v. FEC*), then-Congressman Earl Hilliard testified on this topic:

I’ve served on three levels of government, and I’ve seen people of means, how they vote, and it’s almost in some cases a natural instinct, and people don’t understand...if someone bounced a check they ought to pay \$25 for a bounced check. It costs the bank...a dollar and some to cover the costs of it. They charge \$25, whatever it is, and that bounced check becomes a profit center...here is a man that’s of means that’s running for the office, he has no problem balancing his checkbook, so he thinks that someone who bounces checks is a deadbeat. So he has no problem with voting to increase the fees for it. So the poor people in the district have no one who even philosophically understands their problem, and understands the issue enough to know how to intelligently represent them.¹⁶

Perhaps even more important, however, is who does not end up in Congress. The other side of the wealth primary equation is that grassroots candidates—those who are not wealthy and fail to attract support from wealthy donors—almost always lose their races or drop out before the first vote is cast. As we mentioned in a previous section, only 6% of candidates who failed to raise the most money won their general election contests in 2002. Furthermore, 586 candidates (28%)^p who registered to run for office with the Federal Election Commission dropped out before their 2002 primaries.^q

In our wealth primary system, this does not mean that those candidates lacked the support of the voters. The candidates who lost or dropped out in 2002 specifically because they were not able to raise sufficient funds to be competitive were not simply incompetent or “fringe” candidates. To the contrary, many were highly qualified, credible office-seekers who can reasonably claim that lack of access to big money was the primary reason they were not able to mount competitive campaigns.

We interviewed dozens of candidates from across the country who lost general elections, were defeated in primaries, or dropped out of congressional races. The following pages contain the stories of just six aspiring office-holders that exemplify the experiences of countless Americans who are shut out of contention for federal office by our big money campaign finance system.

^p 2,084 candidates registered their candidacy with the FEC for the 2002 election cycle. FEC recently released data reporting that 2,097 candidates ran; however, 13 of these candidates were counted twice due to having run in special elections.

^q In this category, we counted any candidate who registered with FEC as a potential candidate in the 2002 cycle, was not listed as a winner or loser of any primary, and was not listed as a winner or loser of any general election.

Victims of the Wealth Primary System:
Qualified Candidates Shut Out by Big Money



Ben Allen, State Legislator
Lost 12th District Democratic Primary, Georgia

Ben Allen, a graduate of the University of Georgia School of Law, has worked as an attorney and a teacher at local Augusta colleges. Allen is a member of the Board of Trustees at Augusta State University and has been in the state legislature since 1995. Rep. Allen has wanted to run for Congress since he was 12 years old

and went to law school to prepare for public service.

Rep. Allen ended up putting up about 90% of the money for his campaign from his own pocket. "I live modestly and this is what I knew I wanted to do. I'm 49 years old and I prepared for this run for my entire adult life trying to position myself to have the funds and the qualifications to be in Congress. I made a lot of sacrifices and took on a lot of debt."

He was out-raised by more than four-to-one and lost the primary in a run-off with to Charles "Champ" Walker. Allen believes that "there is a floor amount of money that you must have in order to run" and that he never reached that floor. Although he fundraised actively, many people would not contribute because his opponent's father is the state Senate majority leader.

Ultimately, Rep. Allen says he "was surprised how difficult it was without money. I thought if you had the energy to get out and be among the people and do grassroots campaigning that you could compensate for the lack of money. But, you still have to hit that floor amount of money."

Allen feels that "we need to de-emphasize the need for money in order to run for office. We're rapidly approaching a point where only wealthy people will be in office....I don't see an average working person running for Congress and winning. There are a lot of people with good ideas who possess the qualifications, but will not be able to be in office because they don't have the money."

Rep. Allen supports free TV and radio time for candidates as well as more debates. He says that money "will be the ultimate factor in deciding whether or not" he runs again for federal office. "I would not run unless I had the floor amount that is necessary to win by December 2003."

Rep. Allen raised only \$5,300 for the primary and contributed \$20,000 of his own money. Although he was outspent by more than \$200,000, he

made it to a run-off with eventual winner Champ Walker. By the end of the run-off, Walker had outspent Allen by more than \$300,000 and received 54.2% of the vote to Allen's 45.8%. Walker went on to spend more than \$1 million through the general election, but lost to Max Burns, who raised approximately \$850,000 and spent about \$750,000.



Diane Allen, State Senator
Lost Republican Senate Primary, New Jersey

Diane Allen is a former Emmy Award-winning reporter, news anchor, and member of the New Jersey General Assembly who has been a New Jersey state senator since 1998. While in the Senate, she has been Majority Whip and Deputy Republican Conference Leader. She decided to run for Congress when she listened to

President Bush's State of the Union address and felt that he needed someone from New Jersey who would stand with him on the issues. She was encouraged in her bid by women and moderate Republicans.

Allen reports that "there were 4 million reasons that I lost the primary," referring to the more than \$4 million dollars (most of which was his own money) that her opponent Doug Forrester spent against her. "I was endorsed by the New York Times, the Philadelphia Inquirer, the Star Ledger, every paper...I was ahead in virtually every poll until about five to six weeks out," she says. "By then his amazingly intense spending started to catch up. He outspent me eight-to-one."

Having raised more than \$500,000 in four months, Senator Allen feels that her own efforts were successful, but that the race was skewed by Mr. Forrester's personal wealth. She believes that personal contributions to campaigns should be limited in the same way as other individual contributions. "I don't see why we allow people to put in their own money. It skews elections and means that we're only being represented by the wealthy, and I don't think this leads to good government."

Sen. Allen will consider running for federal office again, but says that fundraising concerns will play a role in her decisions. She also feels that our system discourages good candidates from running. "When people spoke to me about what happened, they said 'I would never run because of what happened to you.'"

According to reports filed directly after New Jersey's June primary, Senator Allen raised \$511,320 and spent \$566,765 on her campaign. Doug Forrester spent more than \$4 million on the race. In spite of the nearly eight-to-one spending disparity, Allen garnered 36.9% of the vote to Forrester's 44.4%. Mr. Forrester lost to former Senator Frank Lautenberg in the general election.



Alan Everett, Mayor of Sedona
Lost 1st District Republican Primary, Arizona

Alan Everett holds an MBA and has served two terms as the Mayor of Sedona. When a new district was created surrounding his hometown, he decided to run for Congress. Republican state party leaders encourage Mr. Everett to run, but he found himself running against Rick Renzi, a wealthy opponent who put approximately \$600,000 of his own money into the race. Mr. Everett put \$80,000 of his own money into his campaign, but could not match his opponent and lost the five-way primary to Renzi.

“Frankly, I was just overwhelmed,” said Everett. “In the last two weeks of the campaign, my opponent sent mail every day. I was running 10 radio ads per day and he was running 25.” He was not able to match Mr. Renzi’s expenditures in part because “the people in rural Arizona think \$25 or \$50 is a big contribution.”

Mr. Everett does not expect to run for federal office again. “The fundraising is really difficult,” he says, “People told me at the beginning and I’m not willing to work on it constantly.”

Rick Renzi outspent Everett approximately four-to-one, winning the primary with 24.6% of the vote to Everett’s 15.4%. Renzi went on to win the general election, spending more than \$785,000 according to his pre-general report filed with the FEC.



Victor Morales, Schoolteacher
Lost Democratic Senate Primary in a Run-off, Texas

Victor Morales has been a teacher of government for 22 years and a city councilman. He was the Democratic nominee for Senator in 1996 and secured 44% of the vote against Phil Gramm despite being vastly outspent. Morales raised approximately \$900,000 in the last four months of this campaign, 87% of which he estimates came in contributions less than \$100. In 1998, he ran against Congressman Pete Sessions and again received 44% of the vote. Mr. Morales ran again this year, facing Dallas Mayor Ron Kirk, and forced a run-off despite being outspent by more than \$1 million.

“I knew from the beginning,” said Morales, “that the biggest issue would be money. The first state representative I spoke to, his first question was ‘how much money do you have; how much money can you raise?’ He didn’t ask about my experience or how I stood on the issues, etc.”

In spite of his lack of financial resources, Morales made a name for himself by traveling around the state in a pickup truck and running a grassroots campaign. "My campaign and my fundraising were geared towards lower and middle income families," says Morales. "At the beginning, I would simply ask folks to contribute \$15 to fill my truck with gas. For the 2002 campaign, I received only \$8,000 in contributions at or above \$1,000."

"In the end," Morales reports, "Senator Gramm's, Representative Sessions', and Ron Kirk's war chests were simply too much to overcome."

Morales suggests providing free media to candidates. He applauds the Federal Election Commission's recent decision to allow candidates to use campaign funds to cover personal expenses, but he opposes the recent doubling of individual contribution limits.

"I believe the increased contribution limits will further alienate my supporters, specifically those that contribute in small amounts," says Morales. "The same people that gave \$1,000 will give \$2,000. This only allows the rich and powerful to have more say. It does nothing to inspire others to participate in the political process."

"During my 1996 campaign," he continues, "I ran into two of my former students walking out of the post office. They said 'Mr. Morales, we're so proud of you. When we see you on TV, we say that's our government teacher. We were going to send you \$25 each, but we didn't because we thought 'what's \$25, he needs millions.'"

Mr. Morales says he will "consider running again in order to rectify the wrongs I perceive with the system...However, the fundraising considerations are overwhelming."

Victor Morales lost a run-off to Ron Kirk, 40% to 60%. Morales reported raising \$18,000 in his pre-runoff report, and Kirk reported \$2.5 million. Kirk went on to raise \$8.5 million through the general election, but lost to John Cornyn, who raised \$9.2 million.



Susan Parker, State Auditor
Democratic Nominee for Senator, Alabama

Susan Parker has a PhD in management, 25 years of experience in education, and is the state auditor of Alabama. Insiders discouraged her from running for the U.S. Senate because she would be facing an incumbent with \$3 million in the bank and did not have personal resources to finance a campaign. She ran in part to “prove that it was not all about the money” and won her

primary in spite of being outspent approximately 10-to-one.

However, in the general election, Ms. Parker discovered that in fact “it is a lot about the money.” In spite of generating more than 3,000 contributions and raising more than \$1 million, Senator Jeff Sessions’ fundraising overwhelmed her. She believes that she lost the race because of her fundraising disadvantage. “He was able to communicate in his paid advertising that his record as a Senator was one that was for the average Alabamian, and because I didn’t have the money I was not able to dispute that,” said Ms. Parker.

Ms. Parker reports that she will only run for office again if she “thought there was an opportunity to be competitive financially.” She recommends public financing of campaigns.

Incumbent Jeff Sessions defeated Susan Parker for reelection 58.6% to 39.9%. He raised more than \$6 million and spent more than \$5.5 million, out-spending Ms. Parker more than five-to-one.



Dale Shugars, State Senator
Lost 6th District Republican Primary, Michigan

Dale Shugars is a certified public accountant who has been a state representative and senator for 12 years and a city councilor for seven years. He ran for Congress because he did not approve of the incumbent’s voting record and because the grassroots encouraged him.

“I don’t like flying and being in DC isn’t a top priority in my personal life,” said Shugars. “But I feel so strongly about some issues like traditional family values, the second amendment, the Enron bankruptcies, etc.” Senator Shugars believes he lost because he was vastly outspent.

“Money had a lot to do with it,” says Shugars. “We started out pretty good [in terms of fundraising], but [Fred Upton] was able to get groups to bet on the likely winner...We probably had more individual contributions than he did and more contributions in the district. He had more PAC contributions and money outside the district. We raised a lot of small contributions...our average contribution was a lot smaller than his. My strength is that I’m a grassroots public servant. I’ve been successful on the city council, etc. because I represent everybody and our fundraising shows that...If people had known that [my opponent] had taken so much money from outside the district and from PACs, it would have changed the dynamic.”

Shugars may run again to highlight the issues. “Even though we lost,” he says, “we accomplished a lot. [Upton] started changing his voting because he heard we were going to run...It holds him accountable. I think he’ll be a better voter now because we ran. Knowing the same outcome, I’d run again.”

Dale Shugars raised \$84,000 and earned 32% of the primary vote. Fred Upton raised \$900,000 in winning the primary and spent \$1.3 million to win the general election.

Candidate Comments on Money in Politics

These six candidates are only the tip of the iceberg. Other profiled candidates made some powerful statements about the state of our democracy and our campaign finance system:

“We’ve established a system that is fueled by who can afford to run and fueled by money. If you don’t have money or can’t raise large sums of money, you can’t run for federal office and increasingly you can’t run for any office.” Robin Britt, former North Carolina Congressman

“The lesson I’ve learned out of this is that we’ve ended up with a process that is not healthy for democracy...The only people who can consider running in our current system are people who are independently wealthy or partners in a business that will underwrite them or the front for some special interest group. You shrink your pool of available candidates to a very small group of people.” Michael Armour, former College President

“Democracy is in crisis in the United States...These aren’t elections, they’re resource contests where you scare people off so you don’t have to run a campaign.” Bart Haggin, Chair of Washington Conservation Voters

“Most of our congressional seats are up for sale to the highest bidder...You’ve got to say and do the right thing to get money.” Tommy Robinson, former Arkansas Congressman

“When candidates get big money from one percent of donors, they are obligated to consider the donors’ point of view more than the voters point of view... Voters are turned off by big money candidates and people who will fight for the common person don’t have the money to get their message out.” Peter Mathews, College Professor

“It is impossible to do grassroots campaigns that have any chance of being effective against well-funded campaigns.” Jim Patterson, former Mayor of Fresno

“I was walking down the street in my hometown of Middletown and another African-American came up to me and said ‘I heard you speak, I want to help you, dives into her purse and pulled out \$2 in change. She believed in me enough to want to give me that money, but she didn’t understand that even if everyone in town gave me \$2 in change, that’s not going to get you there.” Gary Collins, Attorney

“Successful candidates need to put 90% of their effort on fundraising, not meeting with constituents, trying to learn the issues. That ill-serves the country.” Chuck Pardue, Georgia Attorney

“The number one thing I’ve noticed over the last 15-20 years in politics is that in the earlier years it was about how your ideas fare; now the only thing you read about in the papers is who raised the most money, and everybody thinks that the candidate who raises the most money wins.” Carlos Nolla, Kansas Attorney

“If you look at my schedule, my campaign was manacled to a desk, calling people for money...it took away from get-out-the-vote and field and talking about issues—what campaigns should be about. You really had to fight for time to read and be an informed candidate because the consultants say ‘spend all day calling for money—don’t do anything else ever.” Sean Faircloth, Maine State Legislator

Voters and Potential Candidates

Aspiring officeholders who decide to run and then lose or drop out represent only a fraction of the true impact of the wealth primary system. A far greater—and immeasurable—number of talented Americans who accurately perceive the demands of our big money-driven campaign finance system make the perfectly rational decision not to throw their hats into the ring in the first place. In fact, a 1997 University of Colorado study examining the reasons that people do or do not run for Congress found that the prospect of “having to raise large sums of money to fund [a] campaign” “strongly discouraged” 34% of potential House candidates from running.¹⁷ Fundraising was, by far, the single most significant discouraging factor.

The effect of the wealth primary system on candidates and potential candidates is critical from the perspective of voters as well. The system marginalizes average, non-wealthy Americans and leaves them with little meaningful influence on candidate selection. When grassroots candidates, those with unconventional views, and/or those who fail to appeal to big money donors are systematically filtered out of our political system, many voters are left without the opportunity to cast their ballots for someone who represents their views.

Carrie Bolton, a voter-plaintiff in the *Adams v. FEC* case, testified that BCRA exacerbated the wealth primary system by doubling individual contribution limits, “mak[ing] it no longer conceivable that I can access the political process. [The contribution limit increases] undermine the meaning and value of my vote.”¹⁸

Senator Christopher Dodd (D-CT), speaking on the Senate floor against those same contribution limit increases, said:

...We are moving further and further and further away from the overwhelming majority of Americans. I would like to see the average American participate in the electoral process of the country...I do not see many campaigns that are going to bother any longer with the smaller donors. It is the de facto exclusion of more than 99 percent of the American adult population who could support, financially, the political process in this country, that worries me the most.¹⁹

Incumbents Perform Well in the Wealth Primary System

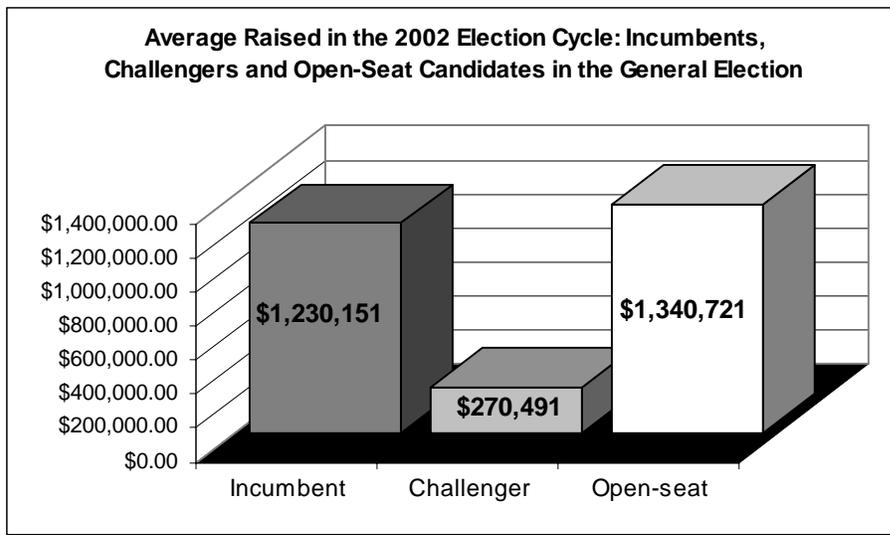
Incumbents do very well under the current big money system. 89.7% of House incumbents and 85.7% of Senate incumbents who ran in 2002 were re-elected.

Redistricting caused several House incumbents to face each other in primary or general elections, artificially reducing the House incumbent re-election rate. In 92.7% of the cases in which an incumbent ran for a seat

in the House, that seat is now represented by someone who was already in Congress before the 2002 elections.

The average incumbent participating in the 2002 general election raised \$1,230,151, compared with \$270,491 for the average challenger. This is approximately a 4.5-to-1 ratio. Candidates running for open seats raised an average of \$1,340,721.

Incumbents in the House running in the 2002 general election raised an average of \$916,798, compared with \$137,248 for the average House challenger, a ratio of 6.7-to-1. Senate incumbents running in the 2002 general election raised an average of \$5,802,784, compared with \$1,600,809 for the average Senate challenger, a ratio of 3.6-to-1.



It is clear that incumbents benefit from the wealth primary system because they raise significantly more money in large contributions than do challengers. Incumbents raised an average of \$388,000 in individual contributions of at least \$1000, compared with \$214,000 raised by challengers from similarly-sized contributions. Contributions greater than or equal to \$1000 accounted for 57.7% of incumbents' individual contributions and 49.8% of challengers' individual contributions.

The Future of the Wealth Primary System

According to the latest FEC data and significant anecdotal evidence, the campaign finance laws in effect in 2002 created a situation in which well-off and well-connected candidates thrived, non-wealthy grassroots candidates were filtered out, and incumbents enjoyed considerable success. How will the latest campaign finance "reform" affect the status quo? The next section is dedicated to examining this question.

The Bipartisan Campaign Reform Act

The 2002 election cycle was the last to be conducted under the basic 1974 campaign finance framework. In March of 2002, President Bush signed the Bipartisan Campaign Reform Act (BCRA) into law. The legislation, also known as McCain-Feingold for its primary Senate sponsors, represented the most significant revisions to federal campaign finance law in a generation. BCRA was intended to curb the influence of well-heeled special interests on federal officeholders and fight corruption and its appearance. The 2002 data provide an important benchmark by which to measure whether or not BCRA achieves these goals.

Major Provisions of the Law

BCRA's most significant provisions are as follows:

- 1. Individual contribution limits are increased significantly.** Contribution limits to candidates are doubled from \$1,000 per election to \$2,000 per election, or \$4,000 per cycle; limits to parties were increased; and aggregate contribution limits (the amount a person is permitted to contribute to all candidates, parties, and PACs combined) are nearly doubled from \$50,000 to \$95,000 per cycle. Individual contribution limits, except those to PACs, are indexed for inflation.
- 2. National political parties are prohibited from raising or spending so-called "soft money."** This includes contributions from corporate or labor treasuries and contributions from individuals beyond federal limits. Federal candidates are generally prohibited from raising soft money, but are allowed under BCRA to solicit unlimited soft money for the general funds of 501(c)(3) organizations whose primary purpose is not election-related, and to raise up to \$20,000 from an individual each calendar year in soft money for state parties or other organizations to use for party-building, voter registration, and get-out-the-vote purposes.
- 3. Corporations and labor unions are prohibited from purchasing issue advertisements that are targeted to affect a federal election.** Outside issue groups are prohibited from using corporate and labor funds to run issue advertisements that mention the name of a federal candidate within 30 days of a primary election and 60 days of a general election. These groups may still use unlimited individual money for these advertisements and may use corporate and labor money for other types of electioneering.

Predictions About the Impact of BCRA

Regulating money in politics is inherently complex, and BCRA's passage has engendered a great deal of confusion and disagreement about the true impact of the law. Proponents have claimed that it will "break the link between big money and federal officeholders," "get special interest money out of politics," and "change business as usual in Washington." Some opponents saw the law as a critical violation of free speech and insisted that it would actually increase the role of special interests by starving parties of needed resources. Other opponents supported the basic goals of the legislation, but felt that the final compromise legislation—which doubled hard money contribution limits in exchange for soft money regulations—was a step backwards in the quest to reduce the influence of big money on American politics.

BCRA is currently pending review by the U.S. Supreme Court, which will hear challenges to nearly every provision of the law in the fall of 2003. Legal analysts are genuinely uncertain how the Court will rule on many key provisions. Assuming that the entire law is left standing, we offer the following predictions as to the true impact of McCain-Feingold:

There will be more money in politics than ever before. Many proponents of BCRA saw the law as a first step towards "getting big money out of politics." However, largely because of the doubling of individual contribution limits, the legislation will have the opposite effect. As this study has demonstrated, hard money is a much more significant portion of total fundraising than is the soft money targeted by the law. By doubling hard money limits, BCRA opens a huge door for big, special interest money to enter the process under the cloak of legitimacy. Furthermore, soft money will not simply vanish from the system. The soft money provisions were not without loopholes. Specifically, many interests seeking to affect federal elections are setting up 527 organizations that can engage in political advocacy that is not regulated by the FEC.

Candidate fundraising will skyrocket. Already increasing significantly faster than the rate of inflation, candidate fundraising will shoot up even more dramatically as a result of increased contribution limits. This will put the price of running for office farther out of reach for the vast majority of Americans.

Candidates able to raise big money will continue to win the overwhelming majority of elections. The candidates who raised the most money won 94% of their races in 2002; nothing in BCRA will change this.

Higher contribution limits will further marginalize small donors.

Doubling contribution limits decreases the value of small donations—those made at levels within striking distance of what average Americans can afford. In 2002, individual contributions below \$200 accounted for just 14% of total candidate fundraising. In the next election cycle this number will drop significantly, accelerating a trend of reduced clout for small donors.

The wealthiest donors will provide a greater proportion of candidates' funds.

The McCain-Feingold law will likely remove some million-dollar checks from the political process, but it will definitely bring many \$2,000 and \$4,000 contributions to congressional and presidential candidates. These are the critical “hard money” funds that determine who is able to mount competitive campaigns for office, and they are contributions that only the wealthiest Americans can afford to make. In 2002, 55% of candidates' individual fundraising came in contributions of \$1,000 or more, from just 0.09% of the voting age population. In the future, the proportion of candidates' contributions raised from the tiny fraction of donors giving at least \$1,000 will rise sharply.

The greater influence of large hard money contributions will further restrict the field of federal candidates.

The need to compete in the nearly exclusively hard money “wealth primary” already limits the field of potential federal officeholders and causes many qualified, credible candidates to drop out of congressional primaries. The doubling of hard money limits will shut more grassroots candidates out of the process and make it more difficult for those who do run to remain competitive.

Hard money “bundlers” will emerge as even more effective and powerful political players than were large soft money donors.

Bundlers legally deliver tens or hundreds of thousands of valuable hard dollars to campaigns by raising large contributions from networks of friends and associates. George W. Bush's first presidential campaign mastered the art of “bundling” large hard money contributions through its famous \$100,000 Pioneer program. The doubled contribution limits have lead the Bush 2004 campaign to initiate an even more ambitious “Ranger” program in which each participant agrees to raise \$200,000 for Bush's re-election. Bundling programs allow wealthy, well-connected individuals to greatly influence election outcomes. Doubled contribution limits will exacerbate this undue influence.

It will not matter that the law has “severed the link” between federal officeholders and soft money donors.

Business as usual will continue in Washington, and the public will not witness changes in the over-representation of moneyed interests. Wealthy donors will continue to give both hard and soft money to influence election outcomes, and plenty of surrogates will emerge to raise and spend this money. As long as big money helps elect candidates, politicians will continue to grant undue access and influence to those special interests who can unduly influence election outcomes even if there is no *quid pro quo* or any direct contribution to a candidate or federal party.

Candidates will not spend less time fundraising; they will just raise more money. Some politicians justified their desire to raise money in larger increments from wealthy donors on the grounds that they would then have to spend less time fundraising. This is based upon the faulty notion that there is some fixed cost of campaigning—and that politicians will stop fundraising once they hit this amount. However, in reality, fundraising is like an arms race—each candidate is driven to match and exceed her opponent. Therefore the ability to raise money in larger amounts will not translate into less time spent seeking contributions.

A greater proportion of the money raised by candidates will come from outside of their districts and states. A significant percentage of candidates' large contributions come from Washington lobbyists and sophisticated political players based in New York and other financial capitals. The doubled contribution limits will increase the influence of these outside interests and result in office-seekers raising a smaller proportion of campaign funds from their constituents.

Challengers will fare no better under higher limits. Challengers will not win more often under doubled contribution limits, and the disparity between incumbent and challenger fundraising will only become greater. Claims to the contrary by politicians who used the desire to help challengers as a justification for increasing the amount of big money they are permitted to raise will prove false.

Wealthy donors will have a tighter grip on federal elections than ever before. On balance, and in spite of the law's helpful provisions regulating soft money, wealthy donors will exert more influence on who runs for federal office and who wins congressional and presidential elections after McCain-Feingold than before this "reform" was passed. The doubling of hard money contribution limits is simply a more significant revision of campaign finance law than all of the soft money provisions combined. As several government professors wrote in a recent article, "increased giving is likely to exacerbate the upper status character of the donor pool, providing greater voice to wealthy businessmen and individuals already heavily engaged in giving."²⁰

Conclusions

Our analysis has demonstrated that hard money is the most important type of political contribution that influences federal elections and that wealthy donors obtain disproportionate influence by making large hard money contributions.

The candidate who raised the most money won his or her 2002 congressional election an overwhelming majority of the time. Furthermore, a large portion of the money raised by congressional candidates came from a tiny fraction of the American public. This segment of society does not reflect the United States population as a whole, and its interests may be distinct from those of society at large.

In the end, the disproportionate financial influence exerted by a small percentage of the American population has a profound impact on the democratic process in several ways.

Because money is a key factor in determining election outcomes, candidates who are not wealthy themselves are forced to appeal to wealthy donors in order to compete effectively in election contests. Qualified candidates who are unable or unwilling to raise funds from this segment of society struggle to mount viable campaigns for federal office. Many of these aspiring office-holders drop out of races, lose in the primary, or make the decision not to run in the first place. In effect, this “wealth primary” system may serve to limit the diversity of public service talent available for solving society’s most pressing problems.

In addition, members of Congress may not be representing average, non-wealthy voters in their districts. Because of the important role large contributors play in financing campaigns, it is reasonable to conclude that legislators are accountable—at least in part—to the wealthy donors that determine their chances of re-election. As a result, public policy, on issues ranging from the environment to consumer protection, may disproportionately reflect the interests of large contributors at the expense of the average citizen.

Furthermore, it seems that the most recent campaign finance “reforms” will actually make these problems worse, not better. The doubling of hard money contribution limits will give wealthy donors even greater influence over who runs for office and who wins elections. The benefits achieved through increased regulation of “soft money” will be undermined by loopholes and ultimately pale in comparison with the damage done by increased hard money.

Our research has shown that wealth plays an important role in American democracy, specifically by influencing who is elected to federal office. This, however, is not a given. It is the result of our particular campaign finance system. On the following page, we make several recommendations that will help create a system that features election contests that are won or lost based upon ideas, not money.

Recommendations

We must employ wholesale reform measures that will uphold the ideal of a working representative democracy in America and provide ordinary citizens with an equal opportunity for political participation. A comprehensive campaign finance reform plan should include the following provisions:

1. **Provide vouchers, tax refunds or credits for small political contributions.** Vouchers, tax refunds or credits for small political contributions (up to \$100) would encourage more small contributors to participate in the political process. This would magnify the voices of average Americans, enable candidates to run campaigns geared towards non-wealthy citizens, and provide a counterweight to the money flooding the process from large donors.
2. **Provide free media for candidates.** Free TV, radio, and mail should be provided to candidates. This would dramatically decrease the cost of campaigns and would provide an opportunity for those who are not favored by wealthy donors to get their messages out. The American public owns the airwaves, which are supposed to be operated “in the public interest,” so this requirement would not impinge upon the rights of commercial broadcasters.
3. **Provide candidates with a clean money option.** Give candidates the option of forgoing all 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.
4. **Limit campaign spending.** Elections should be contests of ideas, not battles for dollars. The use of personal wealth and large contributions in campaigns should be limited through mandatory spending caps so that no candidate has an unfair financial advantage.
5. **Lower contribution limits.** Contribution limits for all candidates and all races should be set at a level that average Americans can afford. Given that only 0.09% of voting age Americans made a \$1,000 contribution to a 2002 congressional candidate, we should dramatically lower contribution limits, not increase them as Congress did in the Bipartisan Campaign Reform Act.
6. **Require in-district fundraising.** Candidates should be required to raise all or most of their funds from the constituents they seek to represent. This will make representatives more accountable to their constituents and reduce the influence of outside interests.

Methodology

Data Sources

We obtained all data for the 2002 election cycle from the following primary sources:

©Candidate summary files for 2002 elections. The Federal Election Commission provided us with complete summary information about candidates running in the 2002 election on April 4, 2003. This file includes summary information about the financing of each candidate's campaign, including total receipts, the total contributions from individuals, totals from each of six categories of Political Action Committees, totals from Party committees, campaign spending, cash on hand, and debts owed by the campaign. Candidate summary files for each election cycle are available for download at <http://www.fec.gov/finance/ftpsum.htm>.

©Party summary file for 2002 elections. The Federal Election Commission provided us with complete summary information about party committees active in the 2002 election cycle on April 4, 2003. The file includes financial information for each party committee including receipts and disbursements, contributions to federal candidates, and expenditures made on behalf of Congressional campaigns. Party summary files for each election cycle are available for download at <http://www.fec.gov/finance/ftpsum.htm>.

©PAC summary file for 2002 elections. The Federal Election Commission provided us with complete summary information about PACs active in the 2002 election cycle on April 4, 2003. This file gives overall receipts and disbursements for each PAC and party committee registered with the commission, along with a breakdown of overall receipts by source and totals for contributions to other committees, independent expenditures made, etc. PAC summary files for each election cycle are available for download at <http://www.fec.gov/finance/ftpsum.htm>.

©Senate six-year summary file. The Federal Election Commission provided us with supplementary information about the fundraising of Senate candidates in the 2002 election cycle. The candidate summary files outlined above only include fundraising completed between January 1, 2001 and December 31, 2002. In order to compile a more accurate picture of the fundraising of Senate candidates throughout the six-year Senate election cycle, we included money raised by Senate candidates since January 1, 1997 in our calculations.

©Party committee soft and hard money files. To calculate some of our figures, we utilized FEC's summary files on receipts and disbursements by the Republican and Democratic parties, available at <http://www.fec.gov/press/20030320party/20030103party.html>. FEC provided us with similar data on all third party receipts and disbursements on April 4, 2003 and May 30, 2003.

©Detailed individual contribution files for the 1998, 2000 and 2002 election cycles. We downloaded FEC's detailed files for individual

contributions in the 1998, 2000 and 2002 election cycles in April 2003. Each file contains each contribution from an individual to a federal committee, if the contribution was at least \$200 or more. It includes the ID number of the committee receiving the contribution, the name, city, state, zip code, and place of business of the contributor along with the date and amount of the contribution. These detailed individual contribution files are available for download at <http://www.fec.gov/finance/ftpdet.htm>.

The Big Picture

Total hard money in the 2002 election cycle. This is a sum of the total individual contributions to candidates, hard money contributions from individuals to parties, contributions from individuals to PACs, and total independent expenditures by individuals in the 2002 election cycle.

Total soft money in the 2002 election cycle. We arrived at the total soft money figure by adding the total soft money raised by all parties reporting any soft money fundraising to estimates of 527 organization and issue advertisement activity. We obtained 527 fundraising data from Public Citizen and issue advertisement data from Wisconsin Advertising Project. (See end notes for detailed citation.)

Count of candidates running in each election cycle. We counted the number of candidates with a unique, FEC-assigned candidate identification number, coded by FEC as a candidate in a specific election cycle. These candidates may not have formed campaign committees.

Count of candidates who dropped out in each election cycle. We estimated the number of candidates who “dropped out” as the number of candidates who did not win or lose a primary election *and* who did not win or lose a general election (since not all state parties held primary elections). This totals the number of candidates who dropped out of the primary race or who initiated a candidacy but ultimately decided (for whatever reason) not to run.

Incumbent re-election rates. To calculate the percentage of incumbents who ran in 2002 that were re-elected, we divided the number of incumbents who won their general elections (382) by the number of incumbents who ran in the 2002 primaries (426).

However, because redistricting forced several incumbents to face each other in primary or general elections, we felt that a more accurate reflection of incumbent success was the percentage of cases in which a seat for which an incumbent ran is still represented by an incumbent. To calculate this number, we divided the number of incumbents who won 2002 general elections (382) by the number of seats in which an incumbent ran for office (412).

Hard Money

Average raised and spent by winners and losers. “Winners” are defined as candidates who won the general election or a runoff election to decide the winning candidate. “Losers” are defined as candidates who lost the general election or a runoff election to decide the winning candidate.

For Senate candidates, the total amount raised equals the sum of all receipts since the beginning of the 1998 election cycle (January 1, 1997); the total amount spent equals the sum of all disbursements since the beginning of the 1998 election cycle. For House candidates, the total amount raised equals the sum of all receipts since the beginning of the 2002 election cycle (January 1, 2001); the total amount spent equals the sum of all disbursements since the beginning of the 2002 election cycle.

Average raised and spent by incumbents, challengers and open-seat candidates. To calculate these figures, we only included candidates who won or lost a general election or won or lost a runoff election to determine the outcome of a general election. We relied on the Federal Election Commission’s coding of candidates as I (incumbent), C (challenger), or O (open-seat). Incumbent campaigns are those of candidates who currently hold congressional office. Challenger campaigns are those in which the candidate ran in a district that contained an incumbent who sought reelection. In cases in which the incumbent was defeated in the primary, the general election was considered to be between two challengers. Open-seat campaigns are those of candidates seeking election to seats in which an incumbent was not seeking reelection.

For Senate candidates, the total amount raised equals the sum of all receipts since the beginning of the 1998 election cycle (January 1, 1997); the total amount spent equals the sum of all disbursements since the beginning of the 1998 election cycle. For House candidates, the total amount raised equals the sum of all receipts since the beginning of the 2002 election cycle (January 1, 2001); the total amount spent equals the sum of all disbursements since the beginning of the 2002 election cycle.

Total hard money contributions from individuals to parties for the 2002 cycle. This amount represents the sum of all individual contributions to the Democratic party, Republican party, and all “third” parties.

Total contributions from individuals to PACs for the 2002 cycle. This represents the total individual contributions reported by each political action committee.

Total independent expenditures by individuals for the 2002 election cycle. This figure represents the total amount of independent expenditures made by filers other than political committees to advocate the election or defeat of a candidate. Independent expenditures are not

made with the cooperation of, or in consultation with, the candidate or his or her agents or authorizing committees.

Total independent expenditures by non-party committees for the 2002 election cycle. This figure represents the total amount of independent expenditures made by non-party committees to advocate the election or defeat of a candidate. Independent expenditures are not made with the cooperation of, or in consultation with, the candidate or his or her agents or authorizing committees.

Total independent expenditures by party committees for the 2002 election cycle. These are independent expenditures made by party committees advocating the election or defeat of a candidate. Independent expenditures are not made with the cooperation of, or in consultation with, the candidate or his or her agents or authorizing committees.

Total independent expenditures for the 2002 election cycle. This is the sum of independent expenditures made by individuals, non-party committees and party committees to advocate the election or defeat of a candidate. Independent expenditures are not made with the cooperation of, or in consultation with, the candidate or his or her agents or authorizing committees.

Candidate Fundraising

Total candidate fundraising vs. total candidate receipts. When calculating total candidate fundraising, we added up contributions to candidates from individuals, parties, PACs, and candidates themselves (including contributions made to Senate candidates from 1/1/97). This equals \$935,037,048. We calculated candidates' total receipts using the candidate summary file for the 2002 cycle and then adding in contributions made to Senate candidates between 1/1/97 and 12/31/00. This equals \$1,006,778,885. The extra money includes interest and other miscellaneous receipts.

When we report numbers as percentages of total candidate *fundraising*, we use \$935 million as the denominator; when we report numbers as percentages of total candidate *receipts*, we use \$1.0068 billion as the denominator.

Total contributions to candidates from individuals for the 2002 cycle. This amount represents the sum of all individual contributions *in any amount* received by the campaign.

For Senate candidates, the total amount raised from individuals equals the sum of all individual contributions received by the candidate's committee since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, the total amount raised from individuals

equals the sum of all individual contributions received by the candidate's committee since the beginning of the 2002 election cycle (January 1, 2001).

Personal money spent by candidates in the 2002 election cycle.

"Personal money" spent was calculated as contributions by a candidate to his or her own campaign plus loans made by or guaranteed by the candidate to his or own campaign minus total repayments made by the campaign of loans made by or guaranteed by the candidate.

For Senate candidates, we included in this calculation any contributions or loans made since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, we included in this calculation any contributions or loans made since the beginning of the 2002 election cycle (January 1, 2001).

Total candidate funds from PACs in the 2002 election cycle. This is the sum of all contributions reported received by candidate committees from political action committees. For Senate candidates, the total amount raised from PACs equals the sum of all PAC contributions received by the candidate's committee since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, the total amount raised from PACs equals the sum of all PAC contributions received by the candidate's committee since the beginning of the 2002 election cycle (January 1, 2001).

Individual Contributions

Individual contributions raised by winners and losers. "Winners" are defined as candidates who won the general election or a runoff election to decide the winning candidate. "Losers" are defined as candidates who lost the general election or a runoff election to decide the winning candidate.

For Senate candidates, the total amount raised from individuals equals the sum of all individual contributions received by the candidate's committee since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, the total amount raised from individuals equals the sum of all individual contributions received by the candidate's committee since the beginning of the 2002 election cycle (January 1, 2001).

Individual contributions raised by incumbents vs. challengers vs. open-seat candidates. To calculate these figures, we only included candidates who won or lost a general election or won or lost a runoff election to determine the outcome of a general election. We relied on the Federal Election Commission's coding of candidates as I (incumbent), C (challenger), or O (open-seat). Incumbent campaigns are those of candidates who currently hold congressional office. Challenger

campaigns are those in which the candidate ran in a district that contained an incumbent who sought reelection. In cases in which the incumbent was defeated in the primary, the general election was considered to be between two challengers. Open-seat campaigns are those of candidates seeking election to seats in which an incumbent was not seeking reelection.

For Senate candidates, the total amount raised from individuals equals the sum of all individual contributions received by the candidate's committee since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, the total amount raised from individuals equals the sum of all individual contributions received by the candidate's committee since the beginning of the 2002 election cycle (January 1, 2001).

Itemized individual contributions to candidates in the 2002 election cycle. This amount is the sum of all contributions itemized by the candidates; candidates are not required to itemize contributions under \$200.

For Senate candidates, the total amount of itemized individual contributions equals the sum of all itemized individual contributions received by the candidate's committee since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, the total amount of itemized individual contributions equals the sum of all itemized individual contributions received by the candidate's committee since the beginning of the 2002 election cycle (January 1, 2001).

Total unitemized individual contributions to candidates in the 2002 election cycle. This amount is the difference between the sum of total individual contributions given to candidates *in any amount* and the sum of total itemized individual contributions. For Senate candidates, we count contributions received by the candidate's committee since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, we count contributions received by the candidate's committee since the beginning of the 2002 election cycle (January 1, 2001).

Itemized individual contributions raised by winners and losers.

"Winners" are defined as candidates who won the general election or a runoff election to decide the winning candidate. "Losers" are defined as candidates who lost the general election or a runoff election to decide the winning candidate.

For Senate candidates, the total amount of itemized individual contributions equals the sum of all itemized individual contributions received by the candidate's committee since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, the total amount of itemized individual contributions equals the sum of all itemized individual contributions received by the candidate's committee since the beginning of the 2002 election cycle (January 1, 2001).

Sum of individual contributions from \$1000+ donors in the 2002 election cycle. To calculate this figure, we made several 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.

©For Senate candidates, we counted contributions received by the candidate's committee since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, we counted contributions received by the candidate's committee since the beginning of the 2002 election cycle (January 1, 2001).

©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.

Count of individual contributors giving \$1000+ in the 2002 election cycle. Building on our grouping of \$1000+ donations, we then grouped together \$1000+ donors by name and zip code. 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.

Sum of individual contributions from \$200+ donors in the 2002 election cycle. This amount is the sum of all contributions itemized by the candidates; candidates are not required to itemize contributions under \$200. For Senate candidates, the total amount of itemized individual contributions equals the sum of all itemized individual contributions received by the candidate's committee since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, the total amount of itemized individual contributions equals the sum of all itemized

individual contributions received by the candidate's committee since the beginning of the 2002 election cycle (January 1, 2001).

Count of individual contributors giving \$200+ in the 2002 election cycle. See the methodology above for calculating the number of individual contributors giving \$1000+ in the 2002 election cycle.

Sum of individual contributions from \$1000+ donors to winners vs. losers in the 2002 election cycle. Sum of individual contributions from \$1000+ donors to incumbents vs. challengers vs. open seat candidates in the 2002 election cycle. To calculate these figures, we made several 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.

©For Senate candidates, we counted contributions received by the candidate's committee since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, we counted contributions received by the candidate's committee since the beginning of the 2002 election cycle (January 1, 2001).

©"Winners" are defined as candidates who won the general election or a runoff election to decide the winning candidate. "Losers" are defined as candidates who lost the general election or a runoff election to decide the winning candidate.

©We relied on the Federal Election Commission's coding of candidates as I (incumbent), C (challenger), or O (open-seat). Incumbent campaigns are those of candidates who currently hold congressional office. Challenger campaigns are those in which the candidate ran in a district that contained an incumbent who sought reelection. In cases in which the incumbent was defeated in the primary, the general election was considered to be between two challengers. Open-seat campaigns are those of candidates seeking election to seats in which an incumbent was not seeking reelection. To calculate these figures, we only included candidates who won or lost a general election or won or lost a runoff election to determine the outcome of a general election.

©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.

Total itemized individual contributions to candidates from out-of-state contributors. To calculate this figure, we made several assumptions.

©We counted only itemized 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.

©For Senate candidates, we counted itemized contributions received by the candidate's committee since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, we counted itemized contributions received by the candidate's committee since the beginning of the 2002 election cycle (January 1, 2001).

©An "out-of-state" contributor is one who lists as his/her home state one that is different than the state represented by the recipient candidate.

Total itemized individual contributions to House candidates from out-of-district contributors. To calculate this figure, we made several assumptions.

©We counted only itemized 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.

©For House candidates, we counted itemized contributions received by the candidate's committee since the beginning of the 2002 election cycle (January 1, 2001).

©An "out-of-district" contributor is one who resides in a zip code that falls outside of the district the House candidate represents. We used data provided by the U.S. Postal Service and compiled by a private vendor to match zip codes with congressional districts. Since FEC data for individual donors only includes a five-digit zip code and many zip codes cross congressional districts, we counted as in-district all contributions from zip codes that are in any part included in the candidate's district, even though parts of these zip codes could fall outside of the candidate's district. Therefore, our figures for out-of-district itemized individual contributions likely are conservative.

©Note that \$16.2 million of type 15 and 15E individual contributions are not associated with any zip code in the FEC database (the zip code field is null). We counted these contributions as out-of-district, given that the probability that each contribution originated from any given district is 1 in 435.

Total estimated House candidate fundraising from out-of-district donors. Building on the assumptions above, we assumed that all PAC

contributions to House candidates were out-of-district and that all unitemized contributions were from in-district donors. The assumption that PAC contributions are out-of-district is not conservative; however, the likelihood that a PAC contribution originated from any given district is extremely small. The assumption that all unitemized individual contributions originated from in-district is conservative, since some small contributions surely came from outside of some candidates' districts.

We added the total itemized individual contributions to House candidates from out-of-district donors to the total PAC contributions to House candidates to obtain an approximate sum total of House candidate funds received from out-of-district contributors.

We chose to exclude party contributions and the candidate's personal money in calculating the out-of-district figure. It would be difficult to determine if party contributions came from in or out of a candidate's district. While personal candidate contributions technically come from in-district, we feel this does not represent fundraising from constituents.

Top giving zip codes for individual contributions. To calculate the sum of all individual contributions coming from specific zip codes, we grouped all individual contributions of type 15 and 15E by zip code. Note that \$16.2 million of type 15 and 15E individual contributions are not associated with any zip code in the FEC database (the zip code field is null).

Wealthy Candidates

Electoral success of self-financed candidates. We identified candidates who spent at least \$500,000, \$100,000 or \$50,000 on their own campaigns and determined if they won or lost their general elections.

"Personal money" spent was calculated as contributions by a candidate to his or her own campaign plus loans made by or guaranteed by the candidate to his or own campaign minus total repayments made by the campaign of loans made by or guaranteed by the candidate.

For Senate candidates, we included in this calculation any contributions or loans made since the beginning of the 1998 election cycle (January 1, 1997). For House candidates, we included in this calculation any contributions or loans made since the beginning of the 2002 election cycle (January 1, 2001).

Millionaires in the House of Representatives. In the financial disclosure statements for calendar year 2002, representatives must disclose the value of their assets (excluding personal residence(s) unless there is rental income) at the close of the reporting year. It is optional to disclose whether an asset is that of a spouse, dependent child or is jointly held. Representatives place the value of an individual asset within a price

range. In order to make a conservative estimate, we took the lowest value of an asset when calculating the net worth of a representative. For example, if an asset had a value within a \$250,001 to \$500,000 range, we used \$250,001 for our calculations (unless the representative stated the exact value of the asset only in later statements).

Representatives also are obliged to disclose liabilities of more than \$10,000 (excluding mortgages on personal residences unless rented out; loans secured by automobiles, furniture and appliances; debts owed to a spouse, dependent child, parent or sibling) to any one creditor at any time during the 2002 calendar year. Liabilities may be held by a spouse, dependant child or jointly. In order to continue with our conservative estimates, we took the highest value marked for the liability when calculating the net worth. Thus, if the amount owed to a creditor was marked within a \$100,000 to \$250,001 range, we used \$250,001 for our calculations.

To calculate our estimation for the net worth of each representative, we subtracted the total maximum amount that could be owed to creditors from the total minimum amount that could be held in assets; estimations are thus very conservative.

We used the *Roll Call* methodology to estimate the net worth of Rep. Nancy Pelosi (see below), under the assumption that she is a multi-millionaire with her total assets holding a value between \$22 and \$95 million. Because her liabilities range between \$7 and \$36 million, however, our primary methodology would place Rep. Pelosi in debt. Common sense thus persuaded us to use the more liberal *Roll Call* formula to estimate her net worth to be \$15.1 million.

Millionaires in the Senate. We relied on *Roll Call* for Senate millionaire calculations. As opposed to our methodology, *Roll Call* employed a more liberal formula to calculate Senate millionaires. Instead of subtracting the *highest* value that a Senator could have in liabilities owed from the minimum amount that she could have in assets, the *lowest* value that could have been owed to creditors was subtracted from the minimum amount that she could have in assets.

Political Parties

Individual contributions to parties below \$200. This amount is the difference between the total individual contributions reported by party committees and the total of itemized individual contributions to party committees in amounts greater than or equal to \$200. These contributions can be either contributions given directly to the committee or earmarked through another committee or they may be in-kind contributions of services, goods, or property.

Total party receipts in the 2002 election cycle. This is the sum of all receipts reported by party committees.

Total contributions from parties to federal candidates in the 2002 election cycle. This figure represents the total contributions made by party committees to candidates for federal office.

Appendix A

The Big Picture

% time the candidate who raised the most money won the general election	94%
% time the candidate who spent the most money won the general election	93.8%
% time the candidate who raised the most money won the primary election	90.0%
<hr/>	
Total money spent to influence the 2002 elections	\$2,376,859,222
Total hard money spent to influence the 2002 elections	\$1,684,551,107
Total soft money spent to influence the 2002 elections	\$692,308,115
Percentage of total money from hard money sources	70.87%
Percentage of total money from soft money sources	29.13%
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Number of candidates who registered with the FEC	2,084
Number of candidates who dropped out in 2002 election cycle	586
Percentage of candidates who dropped out in 2002 election cycle	28.12%
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Percentage of House incumbents who ran for office that were re-elected in 2002	89.7%
Percentage of Senate incumbents who ran for office that were re-elected in 2002	85.7%

Hard Money

Totals

Total hard money contributions from individuals to candidates	\$560,992,316
Total hard money contributions from individuals to parties	\$505,803,625
Total hard money contributions from individuals to PACs	\$615,497,255
Total independent expenditures by individuals	\$2,257,911
Total hard money spent to influence the 2002 elections	\$1,684,551,107
<hr/>	
Percentage of hard money in form of contributions to candidates	33.30%
Percentage of hard money in form of contributions to parties	30.03%
Percentage of hard money in form of contributions to PACs	36.54%
Percentage of hard money in form of independent expenditures	0.13%

Winners vs. Losers

Average hard money raised by winning general election candidates	\$1,308,270
Average hard money spent by winning general election candidates	\$1,219,230
Average hard money raised by losing general election candidates	\$330,852

Average hard money spent by losing general election candidates	\$327,869
Ratio of money raised by winners vs. losers in general election	4 to 1
Ratio of money spent by winners vs. losers in general election	3.7 to 1
Average hard money raised by winning primary election candidates (through primary)	\$464,000
Average hard money raised by losing primary election candidates (through primary)	\$99,000
Ratio of money raised by winners vs. losers in primary election	4.7 to 1

Incumbents vs. Challengers

Average hard money raised by incumbents	\$1,230,151
Average hard money spent by incumbents	\$1,145,483
Average hard money raised by challengers	\$270,491
Average hard money spent by challengers	\$264,972
Average hard money raised by open-seat candidates	\$1,340,721
Average hard money spent by open-seat candidates	\$1,297,977
Ratio of money raised by incumbents vs. challengers in general election	4.5 to 1
Ratio of money spent by incumbents vs. challengers in general election	4.3 to 1

Average hard money raised by House incumbents	\$916,798
Average hard money raised by House challengers	\$137,248
Average hard money raised by House open seat candidates	\$915,567
Ratio of hard money raised by House incumbents vs. House challengers	6.7 to 1

Average hard money raised by Senate incumbents	\$5,802,784
Average hard money raised by Senate challengers	\$1,600,809
Average hard money raised by Senate open seat candidates	\$6,017,420
Ratio of hard money raised by Senate incumbents vs. Senate challengers	3.6 to 1

Soft Money

Total soft money contributions to parties	\$496,908,115
Total interest group expenditures on TV ads	\$20,000,000
Total money raised by relevant 527 organizations	\$175,400,000
Total soft money raised or spent to influence the 2002 elections	\$692,308,115
Percentage of soft money in form of contributions to parties	71.78%
Percentage of soft money in form of interest group spending on TV ads	2.89%
Percentage of soft money in form of 527 organization fundraising	25.34%

Candidate Fundraising

Total candidate funds raised from individual contributions	\$560,992,316
Total candidate funds raised from PACs	\$273,567,809
Total candidate funds from personal money	\$93,721,447
Total candidate funds from parties	\$6,755,476
Total candidate fundraising	\$935,037,048
Total candidate receipts (fundraising plus interest and other misc. receipts)	\$1,006,778,885
Percentage of candidate funds from individual contributions	60.00%
Percentage of candidate funds from PACs	29.26%
Percentage of candidate funds from personal money	10.02%
Percentage of candidate funds from parties	0.72%
Total unitemized individual contributions to candidates (<\$200)	\$134,486,769
Percentage of candidate funds from unitemized individual contributions	14.38%
Percentage of candidate receipts from unitemized individual contributions	13.36%
Percentage of total individual contributions from contributions under \$200	23.97%

Individual Donors

Itemized vs. Unitemized Contributions

Total itemized individual contributions to candidates (>\$200)	\$426,505,547
Total unitemized individual contributions to candidates (<\$200)	\$134,486,769
Total individual contributions to candidates	\$560,992,316

Large Donors

Percentage of total individual contributions from contributions over \$200	76.03%
Percentage of total individual contributions from contributions under \$200	23.97%
Percentage of candidate funds from unitemized individual contributions (<\$200)	14.38%
Total contributions from \$1000+ donors	\$311,147,944
Percentage of individual contributions from \$1000+ donors	55.46%

Winners vs. Losers

Total individual contributions raised by winners of the 2002 general election	\$351,669,984
Total individual contributions raised by losers of the 2002 general election	\$135,396,026
Total of \$200+ contributions raised by winners of the 2002 general election	\$273,808,384
Total of \$200+ contributions raised by losers of the 2002 general election	\$97,361,968
Percentage of individual contributions raised by winners from \$200+ donations	77.86%

Percentage of individual contributions raised by losers from \$200+ donations	71.91%
Total of \$1000+ contributions raised by winners of the 2002 general election	\$210,997,234
Total of \$1000+ contributions raised by losers of the 2002 general election	\$69,640,455
Percentage of individual contributions raised by winners from \$1000+ donations	60.00%
Percentage of individual contributions raised by losers from \$1000+ donations	51.43%

Incumbents vs. Challengers

Total individual contributions raised by incumbent candidates in general election	\$282,153,371
Total individual contributions raised by challengers in general election	\$104,876,397
Total individual contributions raised by open-seat candidates in general election	\$100,036,242
Total of \$1000+ contributions raised by incumbent candidates in general election	\$162,914,439
Total of \$1000+ contributions raised by challengers in general election	\$52,222,489
Total of \$1000+ contributions raised by open-seat candidates in general election	\$65,500,761
Percentage of individual contributions raised by incumbents from \$1000+ donations	57.74%
Percentage of individual contributions raised by challengers from \$1000+ donations	49.79%
Percentage of individual contributions raised by open-seat candidates from \$1000+ donations	65.48%
Average amount raised by incumbents from \$1000+ donors	\$387,892
Average amount raised by challengers from \$1000+ donors	\$214,027
Average amount raised by open-seat candidates from \$1000+ donors	\$590,097

Percentage of Americans Making Large Contributions

Total voting age population (2002)	215,139,087
Number of \$1000+ donors	202,245
Percentage of voting age population that gave \$1000+	0.09%
Number of \$200+ donors	465,408
Percentage of voting age population that gave \$200+	0.22%

Out-of-District and Out-of-State Contributions

Total itemized individual contributions to House candidates	\$246,000,629
Total itemized individual contributions to House candidates from in-district donors	\$109,219,944
Total itemized individual contributions to House candidates from out-of-district donors	\$136,780,685
Percentage of itemized individual contributions to House candidates from out-of-district donors	55.60%
Total itemized individual contributions to House candidates from out-of-state donors	\$62,318,093
Percentage of itemized individual contributions to House candidates from out-of-state donors	25.33%
Total itemized individual contributions to Senate candidates	\$180,504,918
Total itemized individual contributions to Senate candidates from out-of-state donors	\$72,295,413
Percentage of itemized individual contributions to Senate candidates from out-of-state donors	40.05%
Total itemized individual contributions to all candidates from out-of-state or out-of-district donors	\$209,076,098

Percentage of itemized individual contributions from out-of-state or out-of-district donors	49.02%
Unitemized individual contributions to House candidates (<\$200)	\$72,295,413.00
Total PAC contributions to House candidates	\$206,868,768.00
Total estimated House candidate fundraising from out-of-district	\$343,649,453.00
Total estimated House candidate fundraising from in-district	\$181,515,357.00
Estimated percentage of House candidate fundraising from out-of-district	65.44%
Total itemized individual contributions to candidates from out-of-state donors	\$134,233,108
Percentage of itemized individual contributions from out-of-state donors	31.47%
Percentage of total individual contributions from out-of-state donors	23.93%

Top Giving Zip Codes

Total itemized individual contributions from top 10 zip codes	\$15,012,725.00
Percentage of itemized individual contributions from top 10 zip codes	3.52%
Percentage of U.S. population represented in top 10 zip codes	0.13%
Total itemized individual contributions from top 50 zip codes	\$47,788,683.00
Percentage of itemized individual contributions from top 50 zip codes	11.20%
Percentage of U.S. population represented in top 50 zip codes	0.50%
Total itemized individual contributions from top 100 zip codes	\$72,475,840.00
Percentage of itemized individual contributions from top 100 zip codes	16.99%
Percentage of U.S. population represented in top 100 zip codes	0.89%

Wealthy Candidates

Number of candidates spending at least \$500,000 in personal money	32
Number of above who won the general election	3
Number of candidates spending at least \$100,000 in personal money	139
Number of above who won the general election	21
Number of candidates spending at least \$50,000 in personal money	206
Number of above who won the general election	30
Minimum number of millionaires in the House of Representatives	98
Percentage of House members who are millionaires	22.5%
Minimum number of millionaires in the Senate	42
Percentage of Senators who are millionaires	42.0%
Percentage of members of Congress who are millionaires	26.2%

Political Parties

Total party funds from individual contributions under \$200	\$349,306,102
Total party receipts	\$1,393,399,293
Percentage of party funds from individual contributions under \$200	25.07%

Appendix B

Top 100 Zip Codes for Itemized Individual Contributions to Candidates in the 2002 Congressional Elections

Rank	Total Itemized Individual Contributions	Cities Included in Zip Code	State	Zip Code
1	\$2,669,626.00	New York	NY	10021
2	\$1,678,962.00	Potomac, Rockville	MD	20854
3	\$1,569,282.00	Washington, DC	DC	20007
4	\$1,388,562.00	New York	NY	10022
5	\$1,370,095.00	Washington, DC	DC	20016
6	\$1,352,224.00	McLean	VA	22101
7	\$1,327,147.00	Washington, DC	DC	20008
8	\$1,320,656.00	Chevy Chase, Bethesda	MD	20815
9	\$1,185,781.00	Beverly Hills	CA	90210
10	\$1,150,390.00	Atlanta	GA	30327
11	\$1,100,980.00	Dallas	TX	75205
12	\$1,091,153.00	Washington, DC	DC	20036
13	\$1,048,606.00	Chicago	IL	60614
14	\$1,037,340.00	Chicago	IL	60611
15	\$1,022,184.00	Washington, DC	DC	20005
16	\$1,017,992.00	Nashville	TN	37205
17	\$1,008,161.00	New York	NY	10028
18	\$984,944.00	New York	NY	10024
19	\$976,222.00	Palm Beach	FL	33480
20	\$966,525.00	Alexandria	VA	22314
21	\$933,372.00	New York	NY	10128
22	\$910,253.00	New York	NY	10023
23	\$907,645.00	Bethesda	MD	20817
24	\$897,620.00	Dallas	TX	75225
25	\$886,099.00	Dallas	TX	75201

Rank	Total Itemized Individual Contributions	Cities Included in Zip Code	State	Zip Code
26	\$867,936.00	Princeton	NJ	08540
27	\$853,532.00	Nashville	TN	37215
28	\$807,606.00	Arlington	VA	22207
29	\$797,531.00	Washington, DC	DC	20003
30	\$793,477.00	New York	NY	10017
31	\$771,061.00	Houston	TX	77024
32	\$765,409.00	Atlanta	GA	30305
33	\$749,450.00	Houston	TX	77019
34	\$739,842.00	Washington, DC	DC	20004
35	\$733,541.00	Houston	TX	77002
36	\$732,559.00	Chicago	IL	60610
37	\$726,233.00	Winnetka, Glencoe, Northfield	IL	60093
38	\$721,160.00	Bethesda	MD	20816
39	\$709,689.00	New York	NY	10019
40	\$691,220.00	St. Louis, Clayton	MO	63124
41	\$682,031.00	Boston	MA	02116
42	\$676,465.00	Wayzata	MN	55391
43	\$672,703.00	Los Angeles	CA	90049
44	\$659,852.00	Greenwich	CT	06830
45	\$656,298.00	McLean	VA	22102
46	\$645,512.00	Macon	GA	31210
47	\$645,074.00	Milton	MA	02186
48	\$635,796.00	Huntsville	AL	35801
49	\$627,157.00	Washington, DC	DC	20006
50	\$625,728.00	Cambridge	MA	02138

Rank	Total Itemized Individual Contributions	Cities Included in Zip Code	State	Zip Code
51	\$606,675.00	Saint Antonio, Alamo Heights, Terrell Hills	TX	78209
52	\$600,393.00	Great Falls	VA	22066
53	\$592,366.00	St. Louis, Des Peres, Frontenac	MO	63131
54	\$591,383.00	Louisville, Saint Matthews	KY	40207
55	\$583,454.00	Atlanta	GA	30309
56	\$578,675.00	Lake Forest, Mettawa	IL	60045
57	\$571,040.00	Dallas	TX	75230
58	\$569,122.00	Tulsa	OK	74114
59	\$567,185.00	Scarsdale, Heathcote	NY	10583
60	\$555,189.00	Washington, DC	DC	20015
61	\$551,069.00	Washington, DC	DC	20002
62	\$541,432.00	Houston	TX	77056
63	\$537,619.00	Highland Park	IL	60035
64	\$535,000.00	Greenwich	CT	06831
65	\$534,191.00	Bloomfield, Bloomfield Hills	MI	48302
66	\$522,420.00	Bloomfield, Bloomfield Hills	MI	48304
67	\$518,925.00	Wilmington, Greenville	DE	19807
68	\$517,353.00	Alexandria	VA	22302
69	\$510,310.00	Brentwood	TN	37027
70	\$508,045.00	Paradise Valley, Scottsdale	AZ	85253
71	\$505,012.00	Washington, DC	DC	20009
72	\$496,025.00	Mobile	AL	36608
73	\$495,378.00	Charlotte	NC	28207
74	\$491,445.00	La Jolla	CA	92037
75	\$487,750.00	Beverly Hills	CA	90212

Rank	Total Itemized Individual Contributions	Cities Included in Zip Code	State	Zip Code
76	\$486,754.00	St. Louis, Clayton	MO	63105
77	\$482,653.00	Sioux Falls	SD	57105
78	\$479,751.00	Los Angeles, Century City	CA	90067
79	\$479,553.00	Englewood, Cherry Hills Village, Greenwood Village, Sheridan	CO	80110
80	\$475,638.00	Birmingham, Mountain Brook	AL	35223
81	\$474,315.00	Bethesda	MD	20814
82	\$470,074.00	Los Angeles	CA	90024
83	\$467,586.00	Austin	TX	78701
84	\$467,469.00	Chicago	IL	60606
85	\$467,095.00	Washington, DC	DC	20037
86	\$466,191.00	Philadelphia	PA	19103
87	\$456,902.00	Charlotte	NC	28211
88	\$454,956.00	Greensboro	NC	27408
89	\$442,784.00	Austin, Rollingwood, West Lake Hills	TX	78746
90	\$434,143.00	Hinsdale, Oakbrook	IL	60521
91	\$428,141.00	Livingston	NJ	07039
92	\$422,669.00	Chicago	IL	60601
93	\$420,950.00	Monroe	LA	71201
94	\$416,957.00	Englewood	NJ	07631
95	\$414,513.00	Denver	CO	80202
96	\$405,738.00	Denver	CO	80206
97	\$404,100.00	Boston	MA	02108
98	\$401,204.00	Birmingham	MI	48009
99	\$400,039.00	Houston	TX	77005
100	\$399,526.00	Little Rock	AR	72207

Appendix C

Millionaires in the U.S. Senate

Senator	Estimated Net Worth (millions)	Senator	Estimated Net Worth (millions)
John Kerry (MA)	\$ 169.0	Mike DeWine (OH)	\$ 2.7
Herb Kohl (WI)	\$ 111.0	Mark Dayton (MN)	\$ 2.6
Jay Rockefeller (WV)	\$ 82.0	Judd Gregg (NH)	\$ 2.2
Jon Corzine (NJ)	\$ 72.0	Bill Nelson (FL)	\$ 2.1
Lincoln Chafee (RI)	\$ 72.0	Arlen Specter (PA)	\$ 2.0
Dianne Feinstein (CA)	\$ 38.0	John Warner (VA)	\$ 2.0
Peter Fitzgerald (IL)	\$ 25.9	Maria Cantwell (WA)	\$ 1.8
Bill Frist (TN)	\$ 15.1	Harry Reid (NV)	\$ 1.8
John Edwards (NC)	\$ 12.3	Sam Brownback (KS)	\$ 1.7
Frank Lautenberg (NJ)	\$ 10.3	James Inhofe (OK)	\$ 1.6
John McCain (AZ)	\$ 10.1	Tom Carper (DE)	\$ 1.5
Edward Kennedy (MA)	\$ 9.9	Kay Bailey Hutchison (TX)	\$ 1.5
Hillary Rodham Clinton (NY)	\$ 8.0	Mary Landrieu (LA)	\$ 1.5
Richard Shelby (AL)	\$ 7.3	Mitch McConnell (KY)	\$ 1.5
Bob Graham (FL)	\$ 7.2	Olympia Snowe (ME)	\$ 1.5
Gordon Smith (OR)	\$ 6.4	Ted Stevens (AK)	\$ 1.4
Ben Nelson (NE)	\$ 6.3	Barbara Boxer (CA)	\$ 1.1
Lamar Alexander (TN)	\$ 3.0	Orrin Hatch (UT)	\$ 1.1
Chuck Hagel (NE)	\$ 3.0	Chuck Grassley (IA)	\$ 1.0
Ben Nighthorse Campbell (CO)	\$ 2.9	Elizabeth Dole (NC)*	N/A
James Talent (MO)	\$ 2.9	Bob Bennett (UT)*	N/A

* Exact net worth could not be determined because these Senators filed for extensions.

Source: Amy Keller, "Senate Has at Least 42 Millionaires," *Roll Call*, 16 June 2003. All estimates based on the information supplied by Senators in their financial disclosure forms released 13 June 2003.

Millionaires in the U.S. House of Representatives

Representative	Estimated Net Worth (millions)
Darrell Issa; CA, 49th	\$ 98.30
Jane Harman; CA, 36th	\$ 95.10
Doug Ose; CA, 3rd	\$48.3*
Amo Houghton; NY, 29th	\$ 36.90
Charles Taylor; NC, 11th	\$ 33.70
Robin Hayes; NC, 8th	\$ 31.50
Rodney Frelinghuysen; NJ, 11th	\$ 17.30
Porter Goss; FL, 14th	\$15.4*
Nancy Pelosi; CA, 8th	\$15.1**
Chris Chocola; IN, 2nd	\$14.5*
Nita Lowey; NY, 16th	\$ 11.50
Katherine Harris; FL, 13th	\$ 11.10
Gary Miller; CA, 42nd	\$ 9.90
F. Sensenbrenner; WI, 5th	\$ 9.30
Cass Ballenger; NC, 10th	\$ 7.80
David Dreier; CA, 26th	\$ 7.40
Dennis Rehberg; MT, At Large	\$ 7.10
Rahm Emanuel; IL, 5th	\$ 6.50
Fred Upton; MI, 6th	\$ 6.40
Carolyn Maloney; NY, 14th	\$ 5.70
Lloyd Doggett; TX, 10th	\$ 5.50
Johnny Isakson; GA, 6th	\$ 5.50
Anne Northup; KY, 3rd	\$ 5.50
Rosa DeLauro; CT, 3rd	\$ 5.30
Jeb Bradley; NH, 1st	\$ 4.90
Randy Neugebauer; TX, 19th	\$ 3.40
Ken Lucas; KY, 4th	\$ 3.30
C. Otter; ID, 1st	\$ 3.30
Thomas Petri; WI, 6th	\$ 3.10
Rob Portman; OH, 2nd	\$ 3.10
John Spratt; SC, 5th	\$2.9*
Terry Everett; AL, 2nd	\$ 2.80
John Linder; GA, 7th	\$ 2.80
Tom Osborne; NE, 3rd	\$ 2.80
Nick Rahall; WV, 3rd	\$ 2.80
E. Shaw; FL, 22nd	\$2.8*

Representative	Estimated Net Worth (millions)
Don Sherwood; PA, 10th	\$ 2.80
Judy Biggert; IL, 13th	\$ 2.70
Sue Kelly; NY, 19th	\$ 2.50
Dan Burton; IN, 5th	\$ 2.40
John Dingell; MI, 15th	\$ 2.40
Trent Franks; AZ, 2nd	\$ 2.40
William Janklow; SD, At Large	\$2.4*
James Leach; IA, 2nd	\$ 2.40
Rick Renzi; AZ, 1st	\$2.3*
Phil Gingrey; GA, 11th	\$ 2.10
Wally Herger; CA, 2nd	\$ 2.10
Chris Cannon; UT, 3rd	\$ 2.00
Rob Simmons; CT, 2nd	\$ 2.00
Henry Brown; SC, 1st	\$ 1.90
Michael Castle; DE, At Large	\$ 1.90
Jim Cooper; TN, 5th	\$ 1.90
Stevan Pearce; NM, 2nd	\$ 1.90
Ander Crenshaw; FL, 4th	\$ 1.80
Roscoe Bartlett; MD, 6th	\$ 1.70
Dave Camp; MI, 4th	\$ 1.70
Bart Gordon; TN, 6th	\$ 1.70
Jon Porter; NV, 3rd	\$ 1.70
Steven Rothman; NJ, 9th	\$ 1.70
Shelley Berkley; NV, 1st	\$ 1.60
John Boehner; OH, 8th	\$ 1.60
Shelley Capito; WV, 2nd	\$ 1.60
William Jenkins; TN, 1st	\$ 1.60
Jack Kingston; GA, 1st	\$ 1.60
Tom Lantos; CA, 12th	\$ 1.60
John Mica; FL, 7th	\$ 1.60
Jim Turner; TX, 2nd	\$ 1.60
Tom Latham; IA, 4th	\$ 1.50
Scott McInnis; CO, 3rd	\$ 1.50
Loretta Sanchez; CA, 47th	\$ 1.50
Nick Smith; MI, 7th	\$ 1.50
Ellen Tauscher; CA, 10th	\$ 1.50

Representative	Estimated Net Worth (millions)
Bob Beauprez; CO, 7th	\$ 1.40
Eric Cantor; VA, 7th	\$ 1.40
Ruben Hinojosa; TX, 15th	\$ 1.40
Juanita, Millender-McDonald; CA, 37th	\$ 1.40
Marion Berry; AR, 1st	\$ 1.30
Benjamin Cardin; MD, 3rd	\$ 1.30
Nancy Johnson; CT, 5th	\$ 1.30
Harold Rogers; KY, 5th	\$ 1.30
Brad Sherman; CA, 27th	\$ 1.30
Greg Walden; OR, 2nd	\$ 1.30
Mary Bono; CA, 45th	\$ 1.20
Christopher Cox; CA, 48th	\$ 1.20
Cliff Stearns; FL, 6th	\$ 1.20
Philip Crane; IL, 8th	\$ 1.10
Virgil Goode; VA, 5th	\$ 1.10
Ralph Hall; TX, 4th	\$ 1.10
James Langevin; RI, 2nd	\$ 1.10
Zoe Lofgren; CA, 16th	\$ 1.10
Ron Paul; TX 14th	\$ 1.10
Mike Rogers; AL, 3rd	\$ 1.10
Louise Slaughter; NY, 28th	\$ 1.10
Tom Udall; NM, 3rd	\$ 1.10
Charles Bass; NH, 2nd	\$ 1.00
Jo Bonner; AL, 1st	\$ 1.00
John Carter; TX, 31st	\$ 1.00
Bill Pascrell; NJ, 8th	\$ 1.00

* Exact net worth could not be determined because these Representatives had not yet disclosed their finances by the release of this report. Number listed is therefore the net worth of the Representative as reported in the previous year.

** Estimated net worth calculated by the *Roll Call* formula. Refer to methodology.

Source: All estimates based on the information supplied by Representatives in their financial disclosure forms released 16 June 2003. Refer to methodology for details on the calculations.

End Notes

¹ “National Parties Raise Record \$470.6 million in Soft Money During the 2001-2002 Election Cycle Before New Law Takes Effect,” Common Cause, January 6, 2003. www.commoncause.org

² “Party Committees Raise More Than \$1 Billion in 2001-2002,” Federal Election Commission, March 20, 2003. www.fec.gov/press/20030320party/20030103party.html.

³ Ibid.

⁴ Larry Makinson, “The Big Picture,” Center for Responsive Politics, September, 2001.

⁵ Data on electioneering advertisements was obtained from the Wisconsin Advertising Project (WAP), funded by the Pew Charitable Trusts based at the University of Wisconsin-Madison. WAP studied the top 100 media markets (covering 86% of the U.S. population) and determined that independent advocacy groups spent \$8 million on “sham issue ads” for Senate races and \$12 million for House races.

⁶ *Draft Report on Section 527 Financial Activity in the 2002 Election Cycle*, Public Citizen, July 2003.

⁷ Ibid.

⁸ David Donnelly, Janice Fine, and Ellen Miller. *Money and Politics: Financing our Elections Democratically*. Beacon Press, Boston, 1997. As quoted in: Schneider, Jerrold. *Campaign Finance Reform and the Future of the Democratic Party*. Routledge, NY, 2002.

⁹ John Green, Paul Herrnsen, Lynda Powell, and Clyde Wilcox. *Individual Congressional Campaign Contributors: Wealthy, Conservative and Reform-Minded* (1998).

¹⁰ Ibid.

¹¹ See: Derek Cressman, *Pushing the Limit*, U.S. PIRG Education Fund, July 1999. Candidates are no longer required to itemize contributions below \$200. The 1996 and 2002 estimates were calculated by (conservatively) assuming that half of contributions below \$200 came below \$100.

¹² Population figures calculated from population data provided by the U.S. Census Bureau for 2000, available at <http://www.census.gov/>.

¹³ John Bonifaz and Jamin Raskin, *Equal Protection and the Wealth Primary*, 11 Yale Law and Policy Review 273 (1993).

¹⁴ Jonathan Salant. “Critics Worry as Congress Gains More Millionaires,” *Associated Press*. December 25, 2002.

¹⁵ For Senate millionaires: Amy Keller, “Senate Has at Least 42 Millionaires,” *Roll Call*, June 16, 2003. For House millionaires: see methodology.

A Cap Gemini Ernst & Young and Merrill Lynch report estimated that there are 2.2 million millionaires in the United States (as reported in: Wolfensberger, Marc. “U.S. Millionaires See Assets Shrink,” Bloomberg News, June 12, 2003). Voting age population figures used were the same for other calculations, found at: <http://elections.gmu.edu>.

¹⁶ *Thompson v. FEC*, Case No. 1:02CV99881 (D.D.C. Sept. 5, 2002) (testimony of then-Congressman Earl Hilliard), available at: http://www.nvri.org/library/cases/Adams_v_FEC/adamsdepositions/hilliard_deposition_transcript.pdf

¹⁷ L. Sandy Maisel and Walter J. Stone, *Candidate Emergence Study Report to Respondents*. University of Colorado, January 1998.

¹⁸ *Adams v. FEC*, Case No. 02-cv-877-KLH-CKK-RJL (D.D.C. Oct. 3, 2002) (declaration of Carrie Bolton), available at <http://www.campaignlegalcenter.org/attachment.html/Bolton%2C+Carrie.pdf?id=212>

¹⁹ 147 Cong. Rec. S2965 (daily ed. Mar. 27, 2001) (statement of Sen. Dodd).

²⁰ Clyde Wilcox and John Green, et. al., “Raising the Limits,” *Public Perspective*, May/June 2002 at 11.