

11-21-2016

Individual Party Donors: True Allies or Free Agents?

Anne E. Baker

Santa Clara University, aebaker@scu.edu

Follow this and additional works at: https://scholarcommons.scu.edu/poli_sci



Part of the [Political Science Commons](#)

Recommended Citation

Baker, A. E. (2016). Individual party donors: True allies or free agents? *Party Politics*, 1354068816678879. <https://doi.org/10.1177/1354068816678879>

The final publication is available at Sage via <https://doi.org/10.1177/1354068816678879>

This Article is brought to you for free and open access by the College of Arts & Sciences at Scholar Commons. It has been accepted for inclusion in Political Science by an authorized administrator of Scholar Commons. For more information, please contact rscroggin@scu.edu.

Individual Party Donors: True Allies or Free Agents?

**Dr. Anne E. Baker
Santa Clara University
500 El Camino Real
Santa Clara, CA 95053-1500
aebaker@scu.edu**

Habitual party donors represent an important revenue source for American political parties (Francia, Green, Herrnson, Powell, and Wilcox 2003). What remains unclear is whether the party committees can also count on these donors to support the congressional candidates who represent the parties' best chances for seat maximization. Utilizing structural equation modeling and contribution data from the 2006 to the 2012 election cycles, I find habitual party donors and certain new party donors respond to changes in party control of the House by providing more support to incumbents when their party is in the majority and more support to non-incumbents when their party is in the minority. Moreover, party donors are more likely to give to congressional candidates, especially those competing in priority races, than non-party donors. Party donors additionally are revealed to be an important funding source for congressional candidates.

Key Words: elections, raising funds, campaign and finance law

Over the course of their modern history, American party organizations have sought to build long-term relationships with their habitual donors using a wide variety of fundraising programs and tactics (Francia, Green, Herrnson, Powell, and Wilcox, 2003; Herrnson, 2012). Each party has its own donor pool of regular contributors. In 2012, the Republican Party committees could claim 191,372 of these donors and Democratic Party committees could rely upon 118,041 of these donors as a fundraising base. Without a doubt, these donors are vital to the ongoing mission, financial solvency, and subsequent electoral influence of the parties' national, senatorial, and congressional campaign committees. Despite the central role of parties in the distribution of resources in U.S. elections, very little research assesses the consistency with which this important set of party donors contributes to both the party committees and the party's candidates in ways that best serve the party's interests (La Raja, 2013). In short, the loyalty of party donors and the degree to which the extra-party contribution decisions of these donors align with party interests is not well understood (La Raja, 2013; Francia et. al., 2003).

This study examines the contribution decisions of first-time and habitual party donors to determine whether each set of donors is more or less likely to support the party's efforts to gain and retain seats in the U.S. House of Representatives. Structural equation modeling (SEM) is used to analyze the giving patterns of these two sets of donors in each party between 2006 and 2012. Two sets of midterm and presidential election years are compared 2006/2008 and 2010/2012 because party control changed in the House during each set of these years. The Democrats gained a majority of seats in the 2006 election and held onto that majority until the 2010 election when the Republicans were able to reclaim majority status. Comparisons of these time periods are used to determine whether contribution patterns change in ways that reflect changes in party control in the House. The primary goal is to determine whether party donors

provide more contributions to experienced non-incumbent candidates when their party is in the minority in the House and seeks to expand the number of seats it holds and whether contributions to vulnerable incumbents are more likely when the party holds the majority of seats in the House but seeks to protect those seats.

I find Democratic habitual donors engaged in seat maximizing giving in 2006, 2008, and 2012 and Republican habitual donors did so in 2006, 2010 and 2012. First-time donors were more likely to target competitive races in their second election cycle of contributing to House races despite less consistent giving to targeted races in their first election cycle of giving. Additionally, in a comparison of both sets of party donors to non-party donors, I find party donors are more likely to make contributions to congressional candidates and their likelihood of giving to specific subgroups of targeted candidates is much higher than it is for non-party donors. Finally, an analysis of the impact of party donors' targeted giving to House candidates enables me to demonstrate the importance of party donors for congressional campaign fundraising as well as party seat maximization goals.

The relationship between parties and individual donors

Previous studies identify a number of donor attributes and behaviors, which could predict the commitment of individual donors to the party's goals. Most importantly, individual donors are ideological partisans who hold policy opinions that are ideologically distinct from average Americans (Francia et. al., 2003, 2005; McCarty, Poole and Rosenthal, 2006; Bramlett, Gimpel, and Lee, 2011; Page, Bartels, and Seawright, 2013). This attribute ties many donors to one party or the other. In fact, the vast number of individual donors give money to one only party. Between 2006 and 2012, 1,074,372 donors gave to either the Democratic or Republican Party committees

whereas 3,447 donors gave to both parties. Clearly this later set of donors is more the exception than the rule. In Franica et. al.'s (2005) survey of the congressional donor pool in the 1996 election, ideologically-oriented donors fully make-up one third of the donor pool. Although their study reveals diverse motives drive donors, importantly, their results indicate the most ideological donors tend to contribute most frequently both within and across election cycles and they are more likely to contribute to interest groups as well as parties and candidates who support their ideological views (Francia et. al., 2003, 2005). The results of other studies showing ideological candidates enjoy greater fundraising success from individual donors (Gimpel, Lee, and Perason-Merkowitz, 2008; Johnson, 2010) and those suggesting candidates may position themselves to attract the donations of ideological donors (Ensley, 2009; Moon, 2004) provide further evidence of the ideological bent of the donor pool. Given the prevalence of ideological donors in the congressional donor pool and the overall tendency of donors to contribute to a single party, it is likely party donors will be attentive to party goals at least some of the time.

Parties cultivate their donor pools over time by developing donor lists, which are expanded and maintained through the use of direct mail, special events, and targeted fundraising membership programs (Grant and Rudolph, 2002; La Raja, 2008; Herrnson, 2012). Further additions are made to the lists by campaigns sharing their own donor lists with the party (Herrnson, 1998; Cain, 2012; Dominguez, 2005). Party donors are also cultivated indirectly by party fundraisers who are recruited for their connections to existing elite networks which they leverage to bundle contributions for both the party and its candidates (Grant and Rudolph, 2002; Brown, Powell, and Wilcox, 1995; Birnbaum, 2000; Gimpel, Lee, Pearson-Merkowitz, 2008). There is also overlap between consulting firms under contract with the party committees and many House campaigns, which engage in fundraising for both sets of clients (Cain, 2012;

Herrnson, 1992). Cain (2012) demonstrates House campaigns that hire party-connected consultants raise a larger percentage of funds from outside of their districts. Cain (2012) argues this is due to the firms' connections to the party's network of national donors. In sum, party officials, party activists, and party-connected consultants all solicit funds from party donors on the behalf of candidate campaigns and the party. They lower information costs for donors by matching donors with like-minded candidates and by extensively tracking the competitiveness of congressional races in order to target resources toward the races which present the greatest opportunities for gaining seats and those where resources are needed to protect existing seats (Gimpel, Lee, Peason-Merkowitz, 2008; Herrnson, 2012). Thus, party donors are likely to be informed about the party's goals and be able to contribute in ways that align with those goals if so desired.

Given the preponderance of donors contributing to a single party, evidence from studies suggesting party donors are ideological, and the sophistication with which previous studies demonstrate parties interface with donors to lower their information costs by apprising them of races that are party priorities, there is good reason to believe donors might be attentive to party seat-maximization goals when they choose to make contributions to congressional candidates. Previous studies suggest habitual party donors are much more likely to be seasoned party activists with multiple interest group affiliations and a higher propensity than occasional donors to volunteer on campaigns (Francia et. al., 2003, 2005). Their ties to the party are likely stronger than those of first-time donors. Giving patterns for both habitual and first-time contributors are hypothesized to reflect changes in party control in the House with the likelihood of party donors giving to experienced challengers and open-seat candidates rising when their party is in the minority and the likelihood of vulnerable incumbent support rising when their party is in the

majority. The magnitude of the party control effect should be higher for habitual contributors than first-time contributors.

Data and methods

Using structural equation modeling (SEM), I test the extent to which party donors provide funds to targeted races that could help their party gain more seats or to protect their seat margins in the House as opposed to contributing funds to interest groups which may or may not serve party interests. SEM is used to examine the impact of exogenous variables on endogenous variables and the effect of different endogenous variables on one another using path analysis. In this instance, SEM models the relationships among individuals' contributions to parties, candidates, and interest groups as “a whole process of a series of nested dependent variables, modeling direct and indirect effects, with multiple dependent variables” (Price and Collet, 2012: 13; Bollen, 1989). This feature makes it possible to control for prior giving while factoring multicollinear effects between endogenous variables and error variances into the model. The ability to interpret these endogenous effects counts as an advantage here because the goal is to determine whether party donors are directing funds to promising non-incumbents and to protect incumbents. Since by law donors can only contribute up to the global maximums during the time period of this study (discussed below), their contribution decisions are partly dependent upon how many candidates fall into each of these two categories and how attractive those candidates are relative to one another—as a consequence, the error variances are correlated in the models. Paths are also included to represent the effect each type of giving has on other types of giving. In SEM, the goal is for the researcher to find the best model to fit the data—in this regard it is a confirmatory rather than exploratory approach (Golob 2003). I use Stata's program for structural

equation models using the maximum likelihood method of estimation for all of the models that appear below. Robust standard errors are utilized to account for some heteroskedasticity in the error variances.

All contribution data are gleaned from the Database on Ideology, Money in Politics, and Elections (DIME) (Bonica, 2013). The portion of the dataset used in this study includes all individual contributions that were reported to the U.S. Federal Election Commission between 2004 and 2012. The dataset represents a major improvement upon using the FEC's data directly because the "names, addresses, and occupation and employer titles [of the individual donors] have been cleaned and standardized" and "entity resolution techniques were used to assign unique identifiers" to all donors in the database (Bonica, 2013). The cleaned dataset makes it possible to reliably calculate the total contributions made by each individual donor in the dataset to the various party committees, different candidate campaigns, and to interest groups.

Individual donors are divided into Democratic and Republican camps on the basis of whether the donor made a direct contribution to at least one of the parties' national committees (presidential, senatorial, or congressional) between 2004 and 2012. The 3,447 donors who made contributions to both parties between 2004 and 2012 are not included in the party donor analysis. The total amounts each donor contributed to the party committees (*Pty*), interest groups (*IG*), vulnerable incumbents (*Vulnerable*), and experienced challengers and open-seat contestants (*Experienced*) are included as the other variables in the model. Reported hard dollar contributions are \$200 and greater. Individual donors are limited by campaign finance law in terms of not only how much money they can contribute directly to candidates, parties, and interest groups as individual entities¹ but also by how much they can give in total over the course of the election cycle to all three of these entities. The global contribution limit in 2006, the lower

bound of this dataset, was \$95,000, and the cap for 2012, the upper bound of this dataset, was \$117,000 per two-year cycle.² The total contributions made to the party by first-time party donors and habitual party donors are tabulated separately for each election cycle. A donor is classified as habitual after making at least one contribution to at least one of the party committees in at least two different election cycles between 2004 and 2012. The 2004 data are utilized to identify habitual donors in 2006 but are not part of the SEM analysis.

Interest group contribution totals include all direct contributions reported to the U.S. Federal Election Commission. This means only contributions to non-connected and connected political action committees (PACs) and reporting Super PACs are included in the analysis. Contributions to 501c interest groups are not included because those contributions are reported to the Internal Revenue Service rather than the FEC and are not typically itemized. I categorized non-incumbents as experienced prior to generating total amounts given by each individual party donor to these candidates using a dummy indicating whether the non-incumbent candidate has previously held elected office or not. I also categorized incumbents as vulnerable or not based upon *Congressional Quarterly's* (CQ) classification of House races in October of each election year prior to calculating the total contributions to vulnerable incumbents made by each individual party donor.

These variables make-up the models displayed in Figures 1-10 in the online Appendix and the corresponding tables highlighting specific effects within time periods and specific pathways from those models (see Tables 1-4). Since a primary goal of SEM analyses is to find the best fitting model, the Standardized Root Mean Square Residual term is used to assess fit. The SRMR is “standardized difference between the observed correlation and the predicted correlation” (Kenny, 2016). The benchmark for the SRMR is 0.08 (Hu and Bentler, 1998).

Scores of less than 0.08 are considered a good fit and as the score approaches zero the predictive fit of the model to the data nears a perfect fit. I also include the coefficient of determination to provide a sense of the model's overall coverage of variance.

Contribution patterns by party and period

The results of the SEM analysis are displayed in Figures 1-10 in the on-line Appendix. Tables 1 and 2 provide the goodness of fit statistics for each model, the direct effects of party contributions on contributions to specific House races and interest groups, and the total effects of giving in the previous election cycle on all forms of giving in the following election cycle. The SRMR of the 2006-2008 models is 0.022 for both sets of Republican donors and 0.041 for both sets of Democratic donors. In the 2010-2012 models it is 0.27 for Democratic first-time donors and 0.054 for Democratic habitual donors and 0.024 for Republican first-time donors and 0.012 for Republican habitual donors. All of the SRMR values are well below the 0.08 benchmark. This suggests the fit of all eight models in Tables 1 and 2 is excellent. A glance at Figures 1-10 reveals the same model was utilized for all subsets of the data.

As hypothesized, the period effects reflect donors' responsiveness to party control of the House. At the outset of the 2006 midterm election, Republicans held control of a majority of seats in the House. In this election cycle both first-time and habitual Democratic donors were more likely to contribute to experienced non-incumbents ($\beta = 0.037$ for first-time donors and $\beta = 0.065$ for habitual donors, see Table 1). By the 2008 election, the Democrats held a majority of seats in the House. In this election cycle, the likelihood of support slightly declined for experienced non-incumbents and increased for vulnerable incumbents ($\beta = 0.012$ for first-time donors and $\beta = 0.01$ for habitual donors, see Table 1). Although first-time donors appear to

exhibit the same degree of support for vulnerable incumbents as experienced non-incumbents ($\beta= 0.012$ in Table 1), the significance of the pathway between party support and support of vulnerable incumbents in 2008 is higher, suggesting they gave more consistently to vulnerable incumbents than experienced non-incumbents. Mirroring these trends, both sets of Republican donors were more likely to contribute to vulnerable incumbents in 2006 election when their party was at risk of losing its majority in the House ($\beta= 0.065$ for first-time donors and $\beta= 0.076$ for habitual donors, see Table 1). However, in 2008, neither first-time Republican donors nor habitual donors gave in ways that strategically supported the minority party's goals to expand seat margins after losing control of the House in 2006. Habitual Republican donors are almost equally likely to give to experienced non-incumbent candidates ($\beta= 0.009$) as vulnerable incumbents in 2008 ($\beta= 0.015$). Similarly, first-time Republican donors in 2008 also commit comparable levels of support to both targeted non-incumbents ($\beta= 0.007$) as vulnerable incumbents ($\beta= 0.013$).

The predicted giving patterns in 2010 and 2012 election cycles also reflect degrees of responsiveness to changes in party control. The Democrats maintained a majority in the House in the 2008 presidential election but lost control of a majority of seats in the 2010 midterm election. Conversely Republicans were on the offensive in the 2010 election hoping to expand their seat margins. In keeping with this goal, habitual Republican donors are more likely to provide support to experienced non-incumbent candidates ($\beta= 0.087$ in Table 2) than vulnerable incumbents in 2010 ($\beta= 0.006$). However, both sets of Democratic donors appear unresponsive to seat margins of control in 2010. In fact, first-time donors in both parties have negative coefficients for the direct effects of party giving on candidate support in 2010 indicating their party contributions decreased their likelihood of giving to congressional candidates. In 2012,

however, more consistent giving patterns emerge. Habitual Republican donors are more likely to contribute to vulnerable incumbents ($\beta= 0.088$) than experienced non-incumbents ($\beta= 0.010$) when their party holds a majority in the House. First-time Republican donors' giving patterns in this instance mirror those of Republican habitual donors with greater support given to vulnerable incumbents in 2012 ($\beta= 0.107$). Habitual Democratic donors are more likely to contribute to experienced non-incumbent candidates ($\beta= 0.020$) than vulnerable incumbents ($\beta= 0.013$) at a time when their party sought to expand seat margins. However, first-time Democratic donors do not exhibit similar support for party goals in 2012 (see insignificant direct effects in Table 2).

The direct effects above document patterns of giving *within* particular election cycles. The total effects are now discussed to highlight giving patterns across election cycles that can reveal important trends in the giving patterns of first-time donors. The degree to which first-time donors become more likely to target their contributions to competitive races is reflected in the total effects between the decision to contribute money to the party for the first-time and giving to targeted races in the next election cycle (see total effects rows in Tables 1 and 2). Democratic first-time donors in 2006 are slightly more likely to contribute to vulnerable incumbents than experienced non-incumbents in 2008 when the party was protecting its seat margins in the House ($\beta= 0.026$ versus $\beta= 0.024$; see total effects in Table 1). Republican first-time donors from the 2006 election cycle are slightly more likely to contribute to vulnerable incumbents in 2008 as well even though their party needed to expand its seats to regain the majority ($\beta= 0.012$ versus $\beta= 0.015$; see Table 1). In the 2010-2012 election cycle, the total effects of giving in 2010 on giving to targeted races in 2012 show Democratic first-time donors in 2010 who became habitual contributors in 2012 align their giving with party goals. They are more likely to contribute to experienced non-incumbents in 2012 ($\beta= 0.014$ versus $\beta= 0.006$; see Table 2).

While their support of non-incumbent candidates ($\beta = 0.014$ in Table 2) was not equal in magnitude to Democratic habitual donors ($\beta = 0.031$; see total effects in Table 2), their likelihood of supporting priority races rose from insignificance to half the magnitude of the coefficient for habitual donors (see Table 2). Similarly, the total effects of giving for first-time Republican donors show in their second cycle of giving in 2012 they targeted their funds to vulnerable Republican incumbents when their party held the majority ($\beta = 0.037$ in Table 2). Moreover, the total effects of giving money to the party for the first-time in 2010 are slightly higher in magnitude than the total effects uncovered for habitual Republican donors ($\beta = 0.034$ for giving to vulnerable incumbents in 2012 in Table 2).

A final period-based effect that was not anticipated is the decline in both first-time and habitual party donors' likelihood of contributing to interest groups. The magnitude and in some instances the significance of both the direct and total effects decrease for both first-time and habitual Democratic and Republican donors between the 2006-2008 (see Table 1). The decline in party donor's interest group contributions between 2006 and 2008 is small in magnitude but appears for all sets of donors. It may reflect the decline in giving to all groups that occurred as a consequence of the 2008 economic downturn. In the 2010, there is a dramatic increase in the direct effects contributions to the party have on the likelihood of contributing to interest groups that is quickly followed by a dramatic decrease in 2012 (see direct effects Table 2). The dramatic increase in interest group giving in 2010 and similarly dramatic decrease observed in 2012 are likely a consequence of changes in campaign finance laws and relatedly, that the interest group totals included in these models are only for contributions that were reported to the U.S. Federal Election Commission. The implications of this finding are discussed in more detail below.

Magnitude of effects: Comparison to non-party donors

To gain a better sense of how consistently party donors contribute to the parties' targeted set of races, I compare the results discussed above to a second analysis featuring non-party donors. The same time periods and the same models of the relationships between variables are utilized. The analysis includes all non-party donors who contributed to reporting interest groups. The goal is to determine whether contributing to interest groups makes it more likely for donors to give to targeted House races than contributing to political parties does. The results are presented in Tables 3 and 4. The SRMR scores are 0.033 in 2006/2008 and 0.047 in 2010/2012. Both are well below 0.08 indicating the models fit the data very well.

The direct effects suggest giving to an interest group in 2006 does increase the donor's likelihood of giving to either experienced non-incumbents or vulnerable incumbents in 2006. However, the magnitude of the effect ($\beta = 0.013$ for experienced non-incumbents and $\beta = 0.011$ for vulnerable incumbents in Table 3) is smaller than the direct effects for each set of party donors. In other words, party donors are more likely than non-party donors to give to targeted races in 2006. In 2008, the differences are even more pronounced. Giving to interest groups does not significantly influence giving to either set of candidates. In 2010, contributing to an interest group does significantly increase the likelihood that the donor will give to an experienced non-incumbent ($\beta = 0.006$ in Table 4) but the magnitude of the effect is much smaller than the direct effect of party giving among habitual Republican donors (see Table 2, $\beta = 0.087$). Interest group giving does not significantly predict giving to vulnerable incumbents in 2010. In 2012 interest group contributions actually decrease the likelihood of giving to vulnerable incumbents and does not significantly affect giving to experienced non-incumbents. In contrast, distinct giving patterns are observed for party donors highlighting their responsiveness to party goals in both election cycles (see Table 2). In short, party donors are more likely to give to congressional

candidates in general than non-party donors and their giving patterns reflect support for the parties' electoral goals because the significance and magnitude of the coefficients on average reflect changes in party control of the House from one election to the next.

Party donors' responsiveness

Habitual party donors who chose to make contributions to House candidates between 2006 and 2012 gave in ways that support their parties' seat maximization goals. These patterns of giving were most pronounced in the 2006 and 2012 election cycles when habitual donors in both parties directed support to targeted races. In 2006, Democratic habitual donors directed funds to the parties' experienced non-incumbent candidates reflecting the party's need to expand its seat margins to gain control of the House (see Table 1). Conversely, Republican habitual donors channeled funds to protect vulnerable incumbents from defeat (see Table 1). In 2012, when the tables had turned and the Republican held a majority in the House, Democratic habitual donors once again gave in ways that would expand their party's seat margins whereas Republican habitual donors contributed to vulnerable incumbents.

First-time donors in both parties did not exhibit the same consistency in their giving patterns as habitual donors. The magnitude of the coefficients for all candidate-related giving are almost always larger for habitual donors than their first-time counterparts. Additionally, the 2010 and 2012 election cycles included negative or insignificant direct effects for party giving on candidate giving for each set of first-time donors. Not only are they less likely to support their party's preferred set of races but also they are less likely to contribute to congressional candidates in general. The summary statistics in Table 5 show the number of first-time donors in each party who contributed to candidates competing in targeted congressional races in each

election cycle. At most the number of first-time donors who contribute to targeted candidates only once rises to half the number of habitual donors who contribute to congressional candidates (see Table 5). Generally, the ratio of first-time donors to habitual donors giving to congressional candidates is much smaller. That said, today's first-time donors can become tomorrow's habitual donors. By their second cycle of giving, there were observable improvements in first-time Democratic donors' likelihood of supporting party priority races in 2008 and 2012 and first-time Republican donors' likelihood of targeted support in the 2012 election cycle (see total effects Tables 1 and 2).

Even though important differences are revealed in the consistency of each set of party's donors giving patterns, both sets of donors in each party are far more likely than non-party donors to make contributions to congressional candidates. Party donors' likelihood of supporting particular subgroups of candidates, either vulnerable incumbents or experienced non-incumbents, greatly exceeded the likelihood of supporting those candidates by non-party donors. In fact, pathways for non-party donors' likelihood of contributing to congressional candidates are only highly significant and positively signed in 2006, are insignificant in 2008, are barely significant only for experienced non-incumbents in 2010, and become negative or conversely insignificant in 2012 (see Tables 3 and 4).

While habitual party donors and new party donors who give a second time exhibit distinctive giving patterns reflecting party seat maximization goals, the descriptive statistics in Table 5 also show that only a portion of the parties' donor pools choose to make contributions to House candidates. The last row for each party in Table 5 lists the number of party donors who gave to at least one of the party committees but chose not to give to any House candidates in each corresponding election cycle. The total number of donors in each party who confined their

giving to one or more of the party committees and did not contribute to *any* House candidates *between* 2006 and 2012 is 241,529 in the Democratic donor pool and 598,432 in the Republican donor pool. Part of the reason the number of donors who chose not to give money to any House candidates is higher for the Republicans is that in 2008, 365,425 contributors made one-time contributions to at least one of the Republican party committees—among these one time contributors, 349,983 did not make contributions to any House candidates. Although these numbers appear to undermine the results presented previously by revealing that the prevailing tendency of party donors is not to give to House candidates, the impact of the party donors who do give to House candidates merits further attention before any conclusions can be drawn about their importance.

Table 6 shows the number of House candidates who received any degree of financial support from party donors in each election cycle. Between 2006 and 2012, more than a two thousand House candidates from both parties, and roughly a 1,000 or more in each party, received support in each election cycle. Clearly, many congressional candidates benefit from the higher propensity of certain party donors to contribute to their campaigns. The next column in Table 6 shows the average amount of total support received by individual House candidates from all respective party donors. The average amount of total support collectively given by Republican party donors to particular candidates competing in House races varies from a little as \$98,498 in 2008 to as much as \$141,740 in 2012 and for Democratic donors it varies from \$103,238 in 2006 to a high of \$137,090 in 2012 (see Table 6).

For targeted races, the average total amounts of support tend to be much higher. Experienced challengers total average campaign fundraising receipts ranged between \$803,136 in 2006 and \$1.1 million in 2012. For this set of candidates, contributions from party donors can

represent over 15 percent or more of total fundraising receipts on average. For example, in 2010 when Republicans were trying to expand their seat margins in the House, the average in the total support provided by Republican Party donors rose to \$197,407 with a median of \$41,800 for experienced challengers (see Table 6). That year experienced challengers in both parties were able to raise an average of \$1,157,773 from all fundraising sources. Thus, support from party donors for an average challenger in this subset of candidates constituted over 17 percent of all receipts. In 2012, Democratic experienced challengers received an average total of \$208,633 (Table 6) with a median of \$16,100 collectively from Democratic Party donors. The average amount of money raised by experienced challengers in 2012 was \$1,106,300. The proportion of fundraising from Democratic Party donors amounted to 19 percent of all receipts for experienced challengers.

For vulnerable incumbents and experienced open-seat candidates, party donors also represent an important revenue source. Vulnerable incumbents' average total receipts range from \$2.7 million in 2006 to \$2.4 million in 2012 and experienced open seat contestants' total receipt averages range from \$1.4 million in 2006 to \$1.3 million in 2012. For vulnerable incumbents, total contributions from party donors amount to 13 percent or more of all receipts on average. In 2010, while the Republicans were busy trying to expand their seat margins, Democrats moved to protect their incumbents. In that election cycle, the average total support Democratic Party donors extended to individual vulnerable incumbents was \$535,245 with a median of \$339,393 (see Table 6). Vulnerable incumbents raised an average of \$2,510,894 in 2010 (with a median of \$2,440,685). Thus, Democratic Party donors' support constituted more than twenty percent of all fundraising receipts for an average vulnerable incumbent in 2010. This was the highest proportion of average total receipts made up by party donors of either party in any of the four

election cycles. For experienced open seat candidates support from party donors ranges between 11 percent and 21 percent of total average fundraising receipts. In 2008, when Democrats sought to hold onto their majority, Democratic donors gave the most contributions to vulnerable incumbents but also to experienced open seat candidates (see Table 6). On average contributions from Democratic Party donors totaled \$365,926 per experienced Democratic open seat candidate (see Table 6) amounting to 21 percent of all receipts for the average experienced open seat candidate. Since open seat races are the most competitive and as a consequence gain the most funding from all sources, the fact that party donors collectively can provide an average of 15 percent of the funds raised by these candidates is all the more impressive. The analysis of the descriptive statistics and count data in Tables 5 and 6 show that party donors play a major role in congressional campaign fundraising and relatedly the likelihood the party will gain and retain seats of strategic importance.

Candidates also may be able to count on greater support from party donors in the future. The number of Democratic donors who contribute to congressional candidates is increasing overtime among all subsets of donors (see Table 5). The number of Democratic habitual donors who also contributed to House candidates competing in races across the country rose from 25,660 in 2006 to 40,327 in 2012 and the number of first-time Democratic donors who did the same rose from 8,019 in 2006 to 15,375 in 2012 (see Table 5). Whereas the number of Republican Party donors who contribute to congressional candidates rises in the presidential election cycles of 2008 and 2012 and recedes in the midterm election cycles of 2006 and 2010, the number of habitual donors providing support to House candidates increased from 22,851 to over 30,000 in 2010 and 2012 (see Table 5). Additionally, the number of House candidates receiving support from Republican Party donors is rising (see Table 6). In sum, the trends

uncovered in the descriptive data as well as the SEM analysis suggest that party donors are more likely to provide support to House candidates overtime. Part of the reason for this trend might be that the donors contributing to House candidates are not the parties' highest dollar contributors. The average amount in total funds a Democratic Party donor, who was also supporting one or more House candidates, contributed to one or more of the Democratic Party committees was \$4,630 in 2006, \$8,467 in 2008, \$3,458 in 2010, and \$1,301 in 2012. For Republicans donors, the total contributions to one or more of the party committees averaged \$4,274 in 2006, \$4,856 in 2008, \$3,399 in 2010, and \$2,378 in 2012 for the donors who were also making contributions to House candidates. Thus, while the party donors who extend support to House candidates are not typically small dollar donors, they are also not necessarily high rollers either given that the maximum a donor could give to a single party committee ranged from \$26,700 in 2006 to \$30,800 in 2012.

Support from party donors may become even more important in future election cycles due to growing competition from interest groups that can easily outraise and outspend congressional campaigns and parties. In 2010, the Supreme Court's ruling in *Citizens United* (558 U.S. 310, 2010) made Super PACs and 501c organizations legal options for donors who wished to make unlimited contributions (Smith and Powell, 2013). Contributions from 501c groups are not reported to the Federal Election Commission and individual donors' names are not provided on reports to the Internal Revenue Service. And Super PACs have found ways to circumvent reporting requirements (Public Citizen, 2013; Marziani, 2012). As a consequence, these contributions are not part of the totals used in this analysis. However, they could account for the dramatic decrease in the direct effects for party giving on the likelihood of interest group giving between the 2010 and 2012 election cycles (see Table 2). New applications for status as

501(c) social welfare organizations rose from 1,751 in 2009 to 3,357 in 2012 (Treasury Inspector General for Tax Administration, 2013). Similarly, applications for 501(c)5 labor and agricultural organizations rose from 543 to 1,081 and for 501(c)6 professional associations from 1,828 to 2,338 (Treasury Inspector General for Tax Administration, 2013). Additionally, U.S. Federal Election Commission reports indicate that the number of registered Super PACs grew from 83 in 2010 to 1,262 in 2012.

While it is not clear whether donors chose to give to Super PACs and 501cs instead of parties or candidates, it is one plausible explanation since donors have been quick to take advantage of these options. Between 2008 and 2010, anonymous donations more than doubled (Maguire, 2012) and they increased tenfold between 2010 and 2014 (Kroll, 2014). Thus, there is reason to believe these groups may constitute a new source of fundraising competition for both the parties and for candidate campaigns. Fortunately, another recent change in campaign finance law may help the party committees raise more money for their own coffers as well as those of candidates. In *McCutcheon v. Federal Election Commission* (U.S. Supreme Court Docket No. 12-536, 2012, 2) the Court overturned the global cap representing the total legal amount an individual donor can contribute in hard money to federal candidates, PACs, and parties in a single election cycle (the cap was \$123,200 in 2012). This means from a single contributor the parties can solicit the maximum contribution allowable (see Data and Method Section) to each of the three national party committees and then request additional funds at the legal limits for each of its 50 state parties, and all of its congressional candidates at the legal limit of \$2,500 per candidate per election (Cillizza, 2014). Given rising competition from a wide variety of interest groups and the Court's ruling in *McCutcheon*, the parties may find it profitable to focus their efforts on the retention of habitual donors. The results of this study suggest these donors already

give in ways that support party seat maximization goals and have done so over an extended period of time. Their loyalty is an asset to the parties that should not be squandered.

Notes

1. In 2006, an individual donor could give a maximum of \$2,000 to each candidate per election and \$25,000 to a national party committee per year (U.S. FEC 2006). In 2012, an individual donor could give a maximum of \$2,500 to each candidate per election and \$30,800 to a national party committee per calendar year (U.S. FEC 2012).
2. *McCutcheon v. FEC* (2014) overturned the global contribution caps for individuals.

References

- Birnbaum, J. (2000) *The Money Men: The Real Story of Fundraising's Influence on Political Power in America*. New York: Crown.
- Bollen, K. A. (1989) *Structural Equations with Latent Variables*. New York: Wiley-Interscience.
- Bonica, A. (2013) Database on Ideology, Money in Politics, and Elections (DIME): Public version 1.0. Stanford, CA: Stanford University Libraries Available at: <http://data.stanford.edu/dime> (Accessed 20 May, 2016).
- Bramlett, B. and Gimpel J. G. (2011) 'The political ecology of opinion in big-donor neighborhoods,' *Political Behavior* 33:565-600.
- Brown, C. W. Jr., Powell L. W., and Wilcox C. (1995) *Serious Money: Fundraising and Contributing in Presidential Nomination Campaigns*. Cambridge: Cambridge University Press.
- Cain, S. (2012) 'Fundraising consultants and the representation of national and local campaign donor bases in U.S. House election campaigns' Paper prepared for delivery at the 2012 annual meeting of the American Political Science Association, 30 August - 2 September 2012. New Orleans, LA.
- Cillizza, C. (2014) 'Winners and losers from the *McCutcheon v. FEC* ruling,' *Washington Post*. Available from <http://www.washingtonpost.com/blogs/the-fix/wp/2014/04/02/winners-and-losers-from-the-mccutcheon-v-fec-ruling/> (accessed 31 May 2014)
- Dominguez, C.B.K. (2005) 'Groups and the party coalitions: A network analysis of overlapping donor lists.' Paper presented at the Annual Meeting of the American Political Science Association, Washington, D.C. September 1-4.

- Ensley, M. J. (2009) 'Individual campaign contributions and candidate ideology,' *Public Choice* 138:221-238.
- Francia, P.L., Green J. C., Herrnson P.S., Powell L.W., and Wilcox C. (2003) *The Financiers of Congressional Elections: Investors, Ideologues, and Intimates*. New York: Columbia University Press.
- Francia, P. L., Green J.C., Herrnson, P.S. and Powell L.W. (2005) 'Limousine liberals and corporate conservatives: The financial constituencies of the Democratic and Republican parties,' *Social Science Quarterly* 8: 761-778.
- Gimpel, J. G., Lee F. E., and Pearson-Merkowitz S. (2008) 'The check is in the mail: Interdistrict funding flows in congressional elections,' *Journal of Politics* 52: 373-394.
- Golob, T. (2003) 'Structural equation modeling for travel behavior research,' *Transportation Research. Part B: Methodological* 37:1-25.
- Grant, T. J. and Rudolph T. J. (2002) 'To give or not to give: Modeling individuals' contribution decisions' *Political Behavior* 24: 31-54.
- Herrnson, P. S. (1992) 'Campaign professionalism and fundraising in congressional elections,' *Journal of Politics* 54: 859-870.
- (1998) 'Interest groups, PACs, and campaigns,' in Paul S. Herrnson, Ronald G. Shaiko, and Clyde Wilcox (eds) *The Interest Group Connection: Electioneering, Lobbying and Policymaking in Washington*. Pp.61-74. Chatham, NJ: Chatham House Publishers, Inc.
- (2012) *Congressional Elections: Campaigning at Home and in Washington*. 6th Edition. Thousand Oaks, CA: CQ Press.
- Hu, L., and Bentler P.M. (1998), 'Fit indices in co-variance structure modeling: Sensitivity to

- underparameterized model misspecification,' *Psychology Methods*, 3 (4), 424–453.
- Johnson, B. (2010) 'Individual contributions: A fundraising advantage for the ideologically extreme?' *American Politics Research*. 38:890-908.
- Kenny, D. A. (2016) Available at: <http://davidakenny.net/cm/fit.htm> (accessed 1 April 2015)
- Kroll, A. (2014) '5 Signs the dark-money apocalypse is upon us,' *Mother Jones*. 18 September. Available at: <http://www.motherjones.com/politics/2014/09/dark-money-2014-elections-house-senate>
- La Raja, R. (2013) 'Party-centered campaign finance laws and American democracy,' *The Forum* 10:313-338.
- La Raja, R. (2008) *Small Change: Money, Political Parties, and Campaign Finance Reform*. Ann Arbor: University of Michigan Press.
- Maguire, R. (2012, September 18). What *Citizens United* (et al.) wrought: The shadow money explosion. *OpenSecret.org*. Available at: <http://opensecrets.org/news/outside-money/501c-groups/>
- Marziani, M. (2012) 'Money in politics after *Citizens United*: Troubling trends and possible solutions,' *The Brennan Center for Social Justice*. 18 April. Available at: <https://www.brennancenter.org/analysis/money-politics-after-citizens-united-troubling-trends-possible-solutions>
- McCarty, N., Poole, K.T., and Rosenthal, H. (2006) *Polarized America: The Dance of Ideology and Unequal Riches*. Cambridge: MIT Press.
- Moon, W. (2004) 'Party activists, campaign resources, and candidate position taking: Theory, tests and applications,' *British Journal of Political Science* 34:611-633.

- Page, B., Bartels L.M., and Seawright J. (2013) 'Democracy and the policy preferences of wealthy Americans' *Perspectives on Politics*. 11:51-73.
- Price, H. and Collet, J. (2012) 'The role of exchange and emotion on commitment: A study of teachers,' *Social Science Research*. 41:1469-1479.
- Public Citizen Report (2013) Testimony of Craig Holman, public citizen concerning New York State Attorney General's proposed rules to require transparency of electioneering spending by nonprofit organizations. 15 January 2013.
- Smith, M. and Powell, L. (2013) *Dark Money, Super PACs, and the 2012 Election*. New York: Lexington Books.
- Treasury Inspector General for Tax Administration (2013) 'Inappropriate criteria were used to identify tax-exempt applications for review', Reference Number: 2013-10-053, 14 May.
- U.S. Federal Election Commission. (2006) *The Record*. March. Available from:
<http://www.fec.gov/pdf/record/2006/mar06.pdf>
- U.S. Federal Election Commission. (2012) *The Record*. March. Available from:
<http://www.fec.gov/pdf/record/2012/march>

Table 1: Predicting Party Donors' Contributions to House Candidates and Interest Groups 2006-2008				
	FIRST-TIME DONORS		HABITUAL DONORS	
Goodness of Fit	DEM	GOP	DEM	GOP
SRMR	0.041	0.022	0.041	0.022
Coefficient of Determination	0.371	0.219	0.578	0.421
Direct Effects				
Pty06-->Experienced06	0.037***	0.006***	0.065***	0.014***
Pty06-->Vulnerable06	0.017***	0.065***	0.018***	0.076***
Pty08-->Experienced08	0.012**	0.007**	-0.008	0.009***
Pty08-->Vulnerable08	0.012***	0.013***	0.01***	0.015*
Pty06-->Interest Groups06	0.145***	0.081***	0.229***	0.292*
Pty08-->Interest Groups08	0.130***	0.075	0.162***	0.163***
Total Effects				
Pty06--> Experienced08	0.024***	0.012**	0.138	0.018***
Pty06-->Vulnerable08	0.026***	0.015***	0.024***	0.035***
Pty06-->Interest Groups08	0.139***	0.086**	0.192***	0.162***
Number of Observations	61,479	109,422	53,635	86,735

Note: *** p<0.001, ** p<0.01, * p<0.05; Pty = party donor's total contributions to the party committees in corresponding election cycle; Vulnerable = total contributions by party donor to vulnerable incumbents in corresponding election cycle; Experienced = total contributions by party donor to experienced non-incumbents in corresponding election cycle; Interest groups= total contributions by party donors to all interest groups in corresponding election cycle.

	FIRST-TIME DONORS		HABITUAL DONORS	
	DEM	GOP	DEM	GOP
Goodness of Fit				
SRMR	0.027	0.024	0.054	0.012
Coefficient of Determination	0.873	0.815	0.787	0.312
Direct Effects				
Pty10-->Experienced10	-0.008	-0.044**	-0.004	0.087**
Pty10-->Vulnerable10	-0.110***	-0.011**	-0.003	0.006***
Pty12-->Experienced12	0.005	-0.009	0.020***	0.010**
Pty12-->Vulnerable12	0.005	0.107**	0.013***	0.088*
Pty10-->Interest Groups10	1.141***	1.249***	1.333***	2.085***
Pty12-->Interest Groups12	0.007	0.054*	-0.008	0.014
Total Effects				
Pty10--> Experienced12	0.014***	0.014***	0.031***	0.02***
Pty10-->Vulnerable12	0.006**	0.037***	0.021***	0.034***
Pty10-->Interest Groups12	0.016**	0.038***	0.072**	0.322
Number of Observations	92,291	66,304	118,041	191,372

Note: *** p<0.001, ** p<0.01, * p<0.05; Pty = party donor's total contributions to the party committees in corresponding election cycle; Vulnerable = total contributions by party donor to vulnerable incumbents in corresponding election cycle; Experienced = total contributions by party donor to experienced non-incumbents in corresponding election cycle; Interest groups = total contributions by party donors to all interest groups in corresponding election cycle.

Table 3: Predicting Non-Party Donors' Contributions to House Candidates 2006-2008	
Goodness of Fit	
SRMR	0.033
Coefficient of Determination	0.013
Direct Effects	
IG06-->Experienced06	0.013***
IG06-->Vulnerable06	0.011***
IG08-->Experienced08	0.001
IG08-->Vulnerable08	-0.0003
Total Effects	
IG06--> Experienced08	0.008*
IG06-->Vulnerable08	-0.004
IG06-->Interest Groups08	0.312*
Number of Observations	967,288

Note: *** p<0.001, ** p<0.01, * p<0.05; IG = donor's total contributions to all interest groups in corresponding election cycle; Vulnerable = total contributions by donor to vulnerable incumbents in corresponding election cycle; Experienced = total contributions by donor to experienced non-incumbents in corresponding election cycle

Table 4: Predicting Non-Party Donors Contributions to House Candidates 2010-2012	
Goodness of Fit	
SRMR	0.047
Coefficient of Determination	0.02
Direct Effects	
IG10-->Experienced10	0.006*
IG10-->Vulnerable10	0.001
IG12-->Experienced12	-0.01
IG12->Vulnerable12	-0.256***
Total Effects	
IG10--> Experienced12	0.001
IG10-->Vulnerable12	-0.256
IG10-->Interest Groups12	0.376
Number of Observations	965,273

Note: *** p<0.001, ** p<0.01, * p<0.05; IG = donor's total contributions to all interest groups in the corresponding election cycle; Vulnerable = total contributions by donor to vulnerable incumbents in corresponding election cycle; Experienced = total contributions by donor to experienced non-incumbents in corresponding election cycle.

Table 5: Number of Party Donors by Type Who Made Contributions to House Candidates in Targeted Races, All Congressional Races, and No Congressional Races								
	2006		2008		2010		2012	
	Targeted Race	Any Race						
DEMOCRATS								
Habitual	11,214	25,660	9,557	27,201	16,786	35,240	22,238	40,327
First-time	3,511	8,019	1,818	6,062	6,321	13,310	8,566	15,375
# Party Donors That Did Not Support House Candidates	89,071		105,534		123,475		74,968	
REPUBLICAN								
Habitual	8,269	22,851	9,973	26,343	8,695	32,248	10,847	30,311
First-time	1,966	5,930	5,228	15,213	1,835	6,596	477	1,550
# Party Donors That Did Not Support House Candidates	168,595		476,482		118,056		38,376	

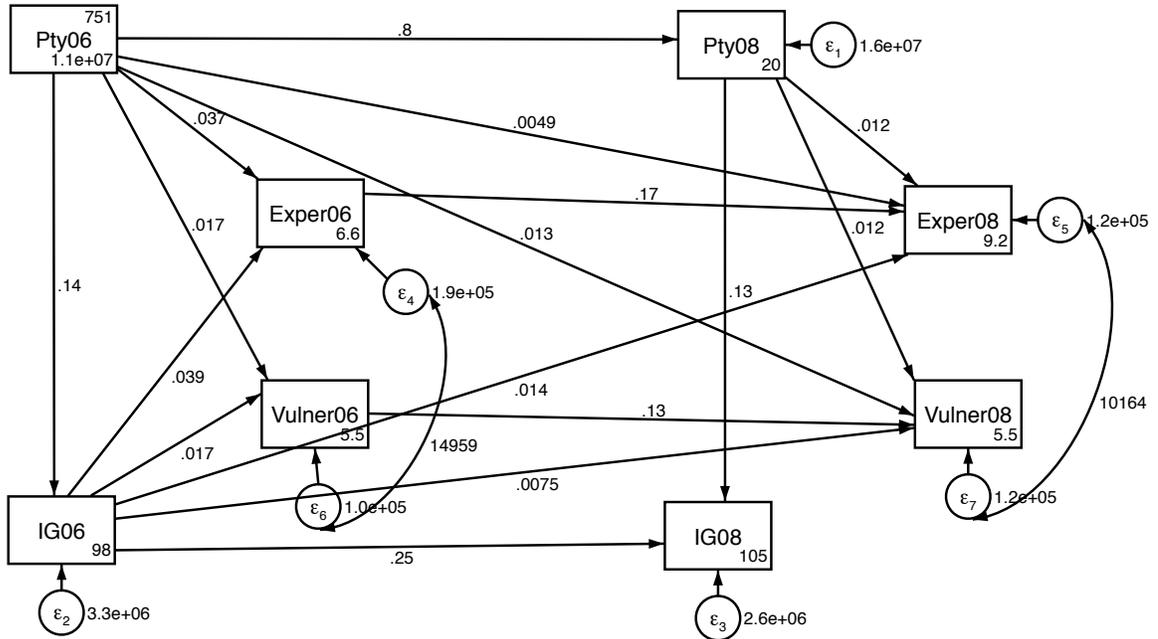
Note: Habitual donors gave in at least two election cycles.

Table 6: The Impact of Party Donors on House Campaign Fundraising				
DEMOCRATS	2006	2008	2010	2012
Number of House Candidates Supported	1,036	1,104	1,210	1,233
All House Candidates	\$103,238	\$125,187	\$118,195	\$137,090
Vulnerable Incumbents	\$200,751	\$270,200	\$535,245	\$274,559
Experienced Challengers	\$131,798	\$143,990	\$60,470	\$208,633
Experienced Open Seat Candidates	\$209,467	\$365,926	\$169,786	\$196,018
REPUBLICANS	2006	2008	2010	2012
Number of House Candidates Supported	1,002	1,123	1,497	1,308
All House Candidates	\$101,012	\$98,498	\$107,472	\$141,740
Vulnerable Incumbents	\$465,402	\$351,769	\$109,378	\$416,516
Experienced Challengers	\$39,249	\$93,770	\$197,407	\$101,199
Experienced Open Seat Candidates	\$210,817	\$144,611	\$228,524	\$179,744

Note: Average total contributions collectively raised from party donors shown (\$)

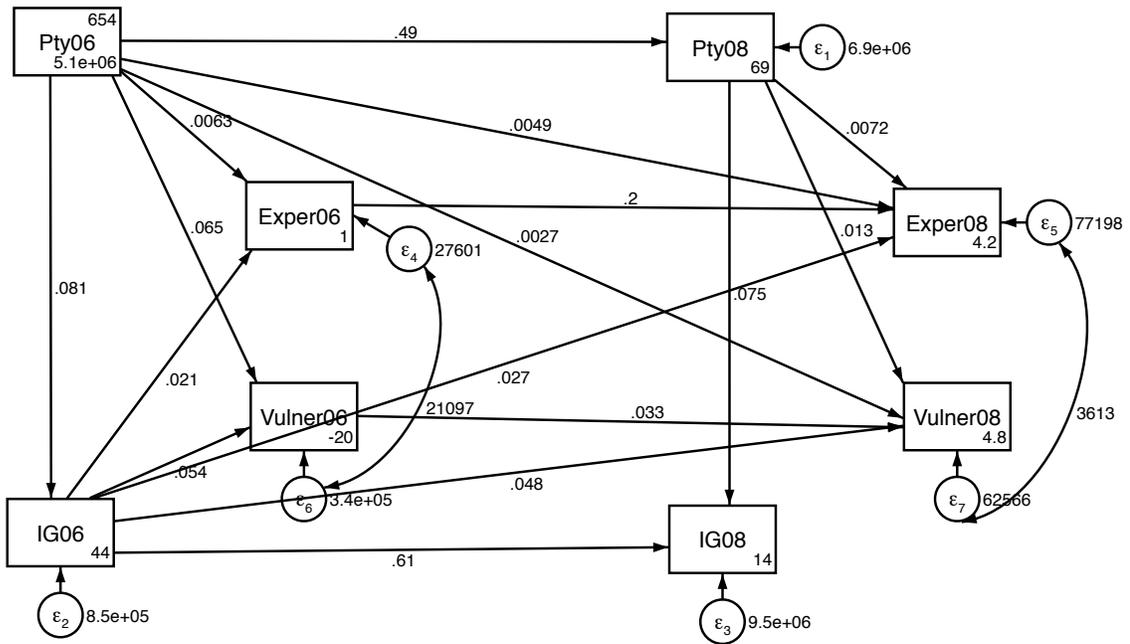
On-line Appendix

Figure 1: Democratic First-time Donors 2006 and 2008



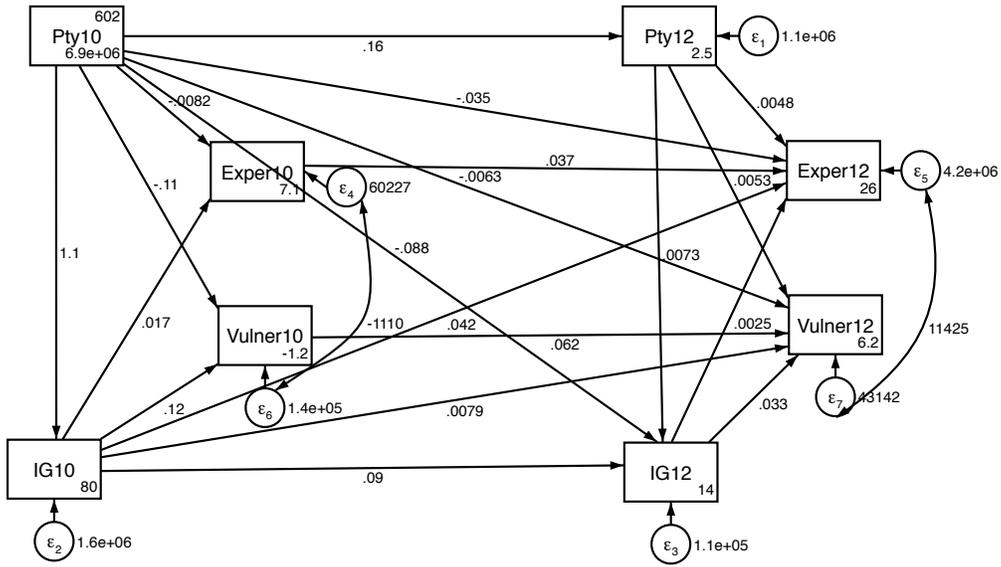
Note: Pty = total contributions by first-time party donor to all party committees in corresponding election cycle; Exper= total contributions by first-time party donor to experienced non-incumbent candidates in corresponding election cycle; Vulner= total contributions by first-time party donor to vulnerable incumbents in corresponding election cycle; IG=total contributions by first-time party donor to all interest groups in corresponding election cycle

Figure 2: Republican First-time Donors 2006 and 2008



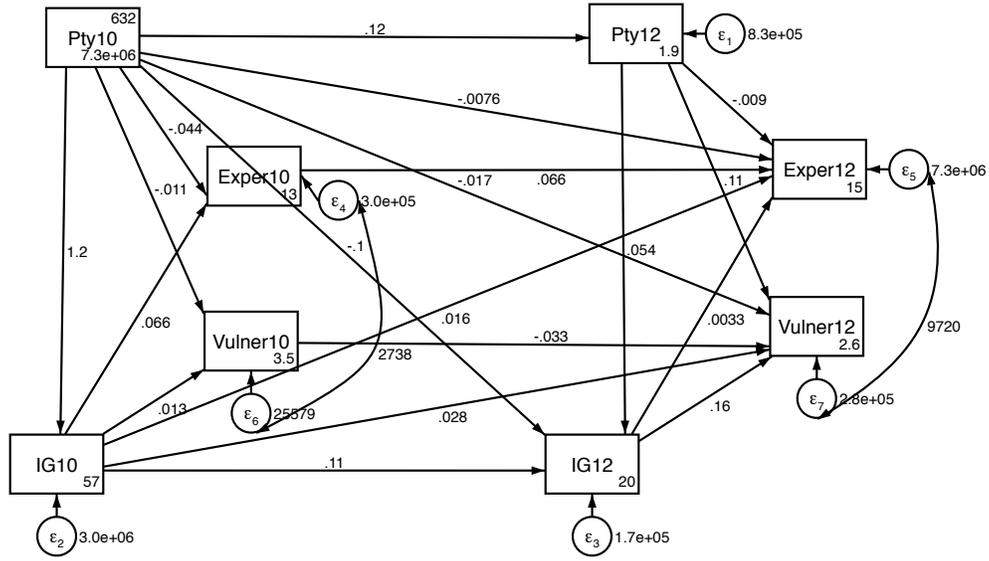
Note: Pty = total contributions by first-time party donor to all party committees in corresponding election cycle; Exper= total contributions by first-time party donor to experienced non-incumbent candidates in corresponding election cycle; Vulner= total contributions by first-time party donor to vulnerable incumbents in corresponding election cycle; IG=total contributions by first-time party donor to all interest groups in corresponding election cycle

Figure 5: Democratic First-time Donors 2010 and 2012



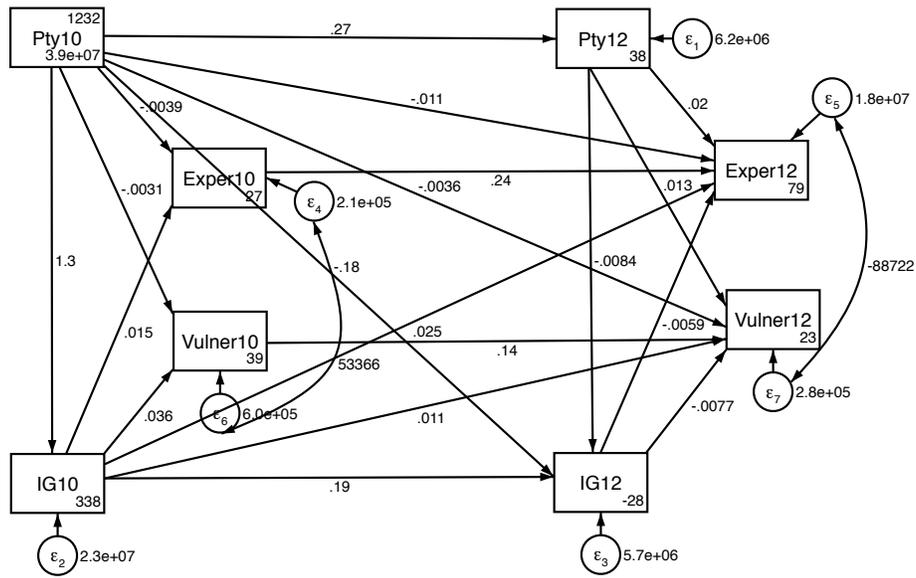
Note: Pty = total contributions by first-time party donor to all party committees in corresponding election cycle; Exper= total contributions by first-time party donor to experienced non-incumbent candidates in corresponding election cycle; Vulner= total contributions by first-time party donor to vulnerable incumbents in corresponding election cycle; IG=total contributions by first-time party donor to all interest groups in corresponding election cycle

Figure 6: Republican First-time Donors 2010 and 2012



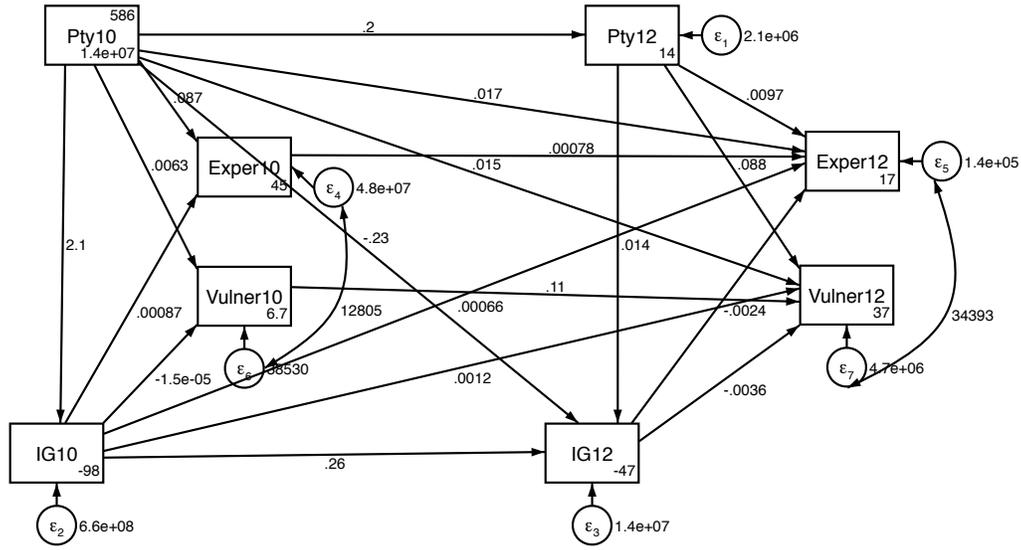
Note: Pty = total contributions by first-time party donor to all party committees in corresponding election cycle; Exper= total contributions by first-time party donor to experienced non-incumbent candidates in corresponding election cycle; Vulner= total contributions by first-time party donor to vulnerable incumbents in corresponding election cycle; IG=total contributions by first-time party donor to all interest groups in corresponding election cycle

Figure 7: Democratic Habitual Donors 2010 and 2012



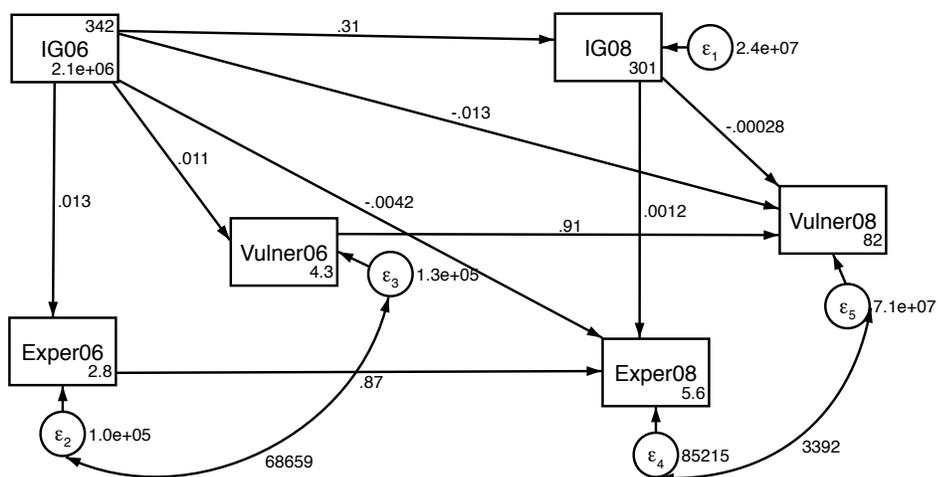
Note: Pty = total contributions by habitual party donor to all party committees in corresponding election cycle; Exper= total contributions by habitual party donor to experienced non-incumbent candidates in corresponding election cycle; Vulner= total contributions by habitual party donor to vulnerable incumbents in corresponding election cycle; IG=total contributions by habitual party donor to all interest groups in corresponding election cycle

Figure 8: Republican Habitual Donors 2010 and 2012



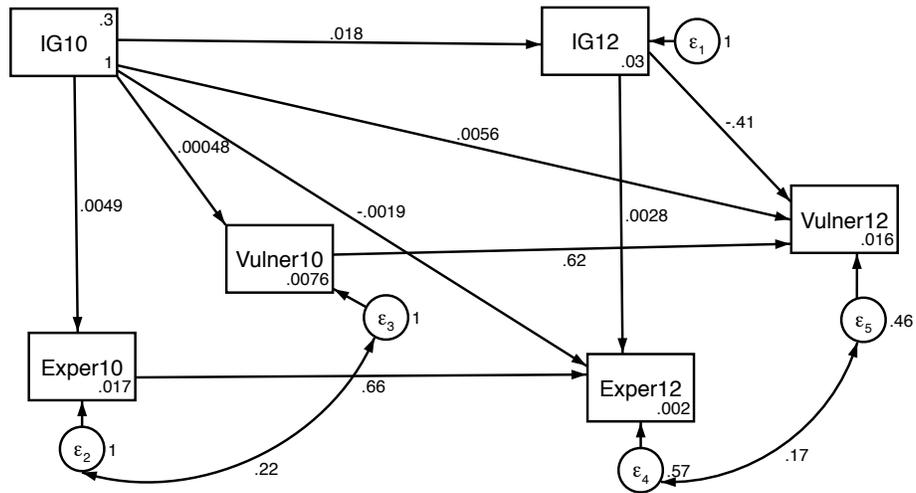
Note: Pty = total contributions by habitual party donor to all party committees in corresponding election cycle; Exper= total contributions by habitual party donor to experienced non-incumbent candidates in corresponding election cycle; Vulner= total contributions by habitual party donor to vulnerable incumbents in corresponding election cycle; IG=total contributions by habitual party donor to all interest groups in corresponding election cycle

Figure 9: Non-Party Donors 2006 and 2008



Note: IG=total contributions by non-party donor to all interest groups in corresponding election cycle Exper= total contributions by non-party donor to all experienced non-incumbent candidates in corresponding election cycle; Vulner= total contributions by non-party donor to all vulnerable incumbents in corresponding election cycle

Figure 10: Non-Party Donors 2010 and 2012



Note: IG=total contributions by non-party donor to all interest groups in corresponding election cycle Exper= total contributions by non-party donor to all experienced non-incumbent candidates in corresponding election cycle; Vulner= total contributions by non-party donor to all vulnerable incumbents in corresponding election cycle