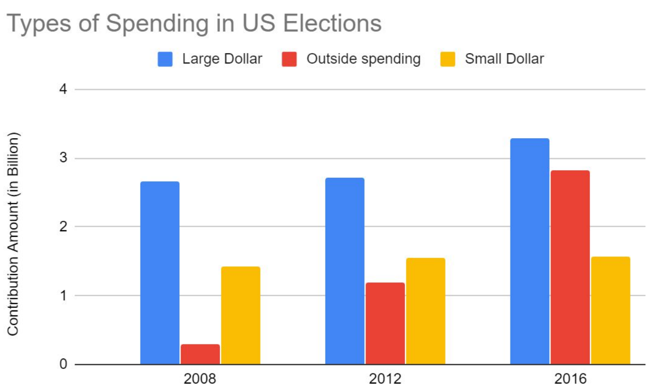
Introduction to Campaign Finance

By Siena Frost

Campaign finance is the process of raising and spending to fund campaigns and advocacy in public elections. Funding is costly and growing. The average spend for successful 2016 campaigns per candidate was $957.6 million—President, $19.4 million—Senate, and $1.6 million—House. These amounts are beyond the capacity of most prospective candidates, forcing them to successfully navigate fundraising or abandon the race. Improving the process is challenging because all incumbents and successful legislation were funded through the current system.

Balancing Freedom of Speech vs. Equality is one of the main debates in campaign finance policy. The U.S. system leans towards free speech, and has fewer regulations than other democracies. This means individuals and corporations can speak (advertise) as loudly and often as they like. The only two aspects which tend towards equality are: (1) an **individual contribution limit**, which is a cap on the amount individuals can donate to a campaign ($2,800 per cycle) and (2) a **public financing** system where presidential candidates can receive a grant instead of accepting contributions. However, elections have become too expensive for public financing to be viable. In the landmark decision **Citizens United** (2010), the Supreme Court decided individuals and corporations could spend as much as they want to support a candidate as long as that spending was independent of the campaign (**outside spending**). This case (and decisions based on the ruling) led to the creation of **Super PACs**: groups which can raise and spend unlimited funds during an election. Regular **PACs** work with campaigns to raise and spend, so they have the same contribution limits. This chart shows types of spending before and after Citizens United[1]. Large dollar donors (giving more than $200 per election cycle) spend the most across the board, and outside spending increased by 841% over 8 years to $2.8 billion in 2016. Reformers suggest limiting or banning outside spending or improving the public financing system to reduce the potential for corruption.



Disclosure is a requirement to reveal funding sources. The US has limited disclosure. PACs, Super PACs, and campaigns must report their donors but many private organizations and corporations which donate to them are not required to disclose their donors, so in many cases it is unclear where the money is coming from. Political spending where the source is not disclosed is called **dark money**. Disclosure reformers suggest mandating that groups contributing above a certain amount disclose their donors, and the debate is around what that amount should be.

Enforcement: The **Federal Election Commission** is a six person bipartisan board responsible for enforcing federal election laws. It struggles with responsiveness and partisanship because four members are required to approve enforcement actions. The Commission has been short two members for the past two years, compounding the dysfunction. Notices of campaign finance violations may take years to reach voters, or go unpunished altogether. FEC reform proposals include creating an appeals process for issues that don't get four votes, mandating faster response times, and restructuring the board to streamline enforcement. H.R.1 (2019) is a bill passed in the House that included many of the suggested reforms.

[1] Small dollar 2008 data based on estimates, information not available from the FEC