

Background about Money in Elections¹

We will be using the ILR to summarize some of this vast information being posted on the LWVUS website for the Money in Election Study. Please visit the LWVUS website for more in-depth information (follow the links below). Interested in joining our Committee that will work to educate ourselves and our members before the Consensus in January 2016 – call the League Office (314-961-6869)! This first article is a summary of the information presented in *The New Soft Money Outside Spending in Congressional Election*¹.

Regardless of ones view on *Citizen United* there is no doubt that independent spending has increased dramatically. There is increased controversy over the money spent by individuals, corporations, labor unions, Super PACs and other outside groups that influence the federal elections.

| Who Spends the Money ¹ | | | |
|--|---|---|--|
| The Old Guard | | The New Players | |
| Candidates | PACs (Political Action Committee is a political committee organized for the purpose of raising and spending money to elect and defeat candidates) | Non-Profits | SuperPACs (A political action committee that makes unlimited expenditures that are not coordinated with any candidate or party.) |
| Amount Limits | | No limits on source or amount of contributions | |
| Source Limitations: no union or corporate treasury funds | | Cannot give money to candidates or PACs | |
| Can give money to candidates and PACS | | Can make independent expenditures | |
| All contributions and expenditures must be reported to the FEC | | SuperPACs must report contributions and expenditures to the FEC Non-Profits report some | |

Spending by outside groups not affiliated with candidates or parties has increased dramatically. Most outside spending in congressional races funded express advocacy in opposition to a candidate”

There are four categories of groups that engage in outside spending:

1. **Shadow Parties** that support either Democratic or Republican candidates without being associated with a particular issue.
2. **Old Hands** are groups of long-established organizations with known interests and policy agendas that have multiple organizational forms and typically engage in both electoral and legislative advocacy.
3. **Buddy PACs** developed after *Citizen’s United*, do not coordinate with a candidate’s campaign, but they exist to be supportive of that campaign and that campaign alone.
4. **New Kids on the Block** focus on an issue or region. Unlike the Old Hands, they did not exist prior to *Citizens United* and do not have an associated hard money PAC or obvious lobbying agenda.

Campaigns are greatly affected by the spending of these outside groups:

- Outside groups do the “dirty work” in campaigns and focus their spending on negative ads.
- Outside spending can take control of a campaign’s message away from the candidate.
- Political campaigns no longer look to state parties for support
- Outside groups do engage in cooperation with campaign professional to pursue electoral goals.
- Outside spending can have similar impact of soft money before BCRA 2002 (Bipartisan Campaign Reform Act)
- Outside spending affects the legislative process through perceived threats to incumbents.
- There is growing evidence that outside spending and attendant lobbying also affects legislative agenda.

¹ *The New Soft Money Outside Spending in Congressional Elections* by Daniel P Toaji and Renata E B Strause. *This was a Project of Election Law At the Ohio State University Moritz college of Law*
http://forum.lwv.org/sites/default/files/tokaji_strause_the-new-soft-money-web_00000002.pdf

Other Background Materials can be found on the LWVUS webpage as well:

HISTORY OF CAMPAIGN FINANCE CHART <http://forum.lwv.org/member-resources/article/history-campaign-finance-chart>.

DEFINITIONS FOR MONEY IN POLITICS TERMS <http://forum.lwv.org/member-resources/article/definitions-money-politics-terms>