
Report for the Campaign Finance Task Force
October 12th, 2017
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Executive Summary:

- The total amount of money in elections – including both direct contributions and outside spending – has increased dramatically over time, with the largest increase beginning in 2000. Accounting for inflation, the total amount of money in congressional elections increased more than 600 percent from $372.5 million in 1980 to $2.6 billion at its peak in 2012. The total amount in presidential elections increased more than 1,200 percent, from $225 million in 1980 to nearly $3 billion in 2012.

- There has been a substantial increase in “early money”, or contributions and expenditures raised during the primary period. This has been especially pronounced in presidential primaries, with early money sharply increasing after 2000. In congressional elections, the distribution of funds in primary and general elections has remained fairly equal.

- These increases have been driven mostly by an increase in the number of individual donors and, more recently, a large jump in the amount of outside spending by ideological groups. Excluding outside spending, individual donors have been the largest source of direct contributions to both congressional and presidential candidates since 1994. In 2016, individual contributions accounted for 73 percent of money donated directly to candidates, but only 51 percent of all spending when outside expenditures are included.

- Since 2004, ideological/membership PACs have comprised an increasingly large portion of group donors, as a flurry of new ideological groups entered the campaign finance system, perhaps due to the 2002 McCain-Feingold reforms. In 2012, ideological groups displaced corporate PACs as the largest group donors, which has implications for which types of candidates are funded. Ideological groups are more likely than business interests to support challengers and open seat candidates and to rely on outside spending.

- The number of individual donors has increased substantially, especially since 2008. The vast majority of these new individual donors contribute small sums (less than $500 total), and so the average individual donation has declined significantly. This means that, despite a jump in the number of individuals contributing, the pool of individual donations has become increasingly dominated by a small subset of extremely large donors.

- Even as larger and larger sums enter the campaign finance system, expenditures by candidates and their campaigns have actually decreased since 2010. This suggests that outside spending is playing a larger role in federal elections, as groups that cannot directly coordinate with candidates are spending larger amounts campaigning on their behalf.
Data Sources:

The financial data in this report comes from two sources. First, all data on total (section 1) and individual (section 3) campaign contributions comes from Adam Bonica’s (2016) Database on Ideology, Money, and Elections (DIME). This database contains contribution records at the local, state, and federal level from 1979 to 2016 as well as a wealth of information on candidate and election characteristics. This dataset improves on original Federal Election Commission (FEC) records (which are generally less ‘clean’, or contain more formatting errors) and other reputable sources like the Center for Responsive Politics (CRP) (which only covers elections from 1990 to 2016). I outline any manipulation of this data in the Data Appendix.

Second, I rely on original FEC data when outlining PAC spending (section 2) because this data contains a more complete categorization of committees according to their type. In particular, the FEC data codes each unique committee as a corporate, trade, membership/ideological, labor, or unknown group, allowing for comparisons of spending behavior by various industries and PAC types.

Finally, data on campaign expenditures (section 4) comes from the FEC’s Operating Expenditures datasets, which cover campaign expenditures 2006 to 2016 (the data extends back to 2004, but these records do not contain data from paper filers). The data provide an overview of total campaign spending as well as a detailed categorization of different types of disbursements. However, the FEC warns that – because the reports are filed by individual campaigns and lack standardization – these datasets are more susceptible to inaccuracies. I consider this limitation when interpreting the data. Additionally, I turn to two original reports to augment my own findings on expenditures with more specific data on the distribution of advertising funds in particular. These secondary sources are cited in the text that follows.
1. Trends in Campaign Contributions and Costs

The most noticeable trend in campaign financing since 1980 has been a dramatic increase in the amount that campaigns raise and spend. A variety of measures of financial activity – from contributions to total outside spending to the average amount needed to win an election – have all spiked since 2002. There appear to be two factors behind this growth: the increasing prevalence of high-dollar independent expenditures for and against candidates, and the increasing number of individual donors. I explore these trends in greater detail in the next sections.

1.1 Trends in Total Contributions and Expenditures

Total contributions and outside spending have increased substantially for both individual and group donors and in all types of races. Figures 1.1a and b demonstrate this point (see Table 1A in the Appendix for the underlying data in this figure, and Figure 1A for a breakdown of congressional contributions by House and Senate candidates). In congressional elections, PACs have traditionally been the

(a) Congressional Elections

(b) Presidential Elections

Figures 1.1a and b: Total Contributions and Outside Spending by Donor Type. Depicts the inflation-adjusted, total amount contributed or spent (as an independent expenditure or communication cost) to candidates and candidate committees by individual or committee donors.
individual spending began to increase in 1994. In fact, excluding independent expenditures, individuals began to contribute more than PACs starting in 1994 (see Figure 1.2). For PAC donors, there are notable spikes in 1992, 2004, and 2012, which seem to correspond with an expanded candidate pool (1992), BCRA’s 2002 ban on “soft money” and a corresponding shift to traceable direct contributions (2004), and two 2010 Supreme Court decisions repealing aggregate individual contribution limits and allowing for unlimited independent expenditures by groups (2012).

The increase in spending is even more pronounced in presidential elections. Prior to the 2004 election, spending by both individuals and PACs was quite limited. This changed dramatically in presidential elections beginning in 2004. Individual contributions increased roughly 40 percent from 2000 to 2004 and more than doubled from 2008 to 2012. Excluding independent expenditures, individuals are the largest contributors to presidential candidates. For PACs, the increase from 2000 to 2004 was even more dramatic at roughly 70 percent. From 2008 to 2012, PAC spending more than tripled.

These increases in individual and PAC spending are not evenly distributed across primary and general elections1. In Congressional elections, individuals tend to give more early in the cycle (i.e. during the primary period) while PACs prefer general election contributions (see Figures 1.1.2 a and b). Since 1980 individual donors have given more than half of all congressional contributions during the primary period but only about 30 percent of all contributions during the general election period. Since most congressional elections do not have competitive primaries (see Figure 2A in the Appendix), it is likely that much of the money collected during the primary period is allocated to the general election, spread to more vulnerable candidates, or simply stored away in the campaign war chest.

This trend is even more pronounced in presidential elections. Historically, PACs have not been very active at any point in the election cycle, though this began to change in 2004 and again following the 2010 Supreme Court rulings. Additionally, many recent presidential candidates ceased using the public financing system, allowing them to raise more funds from private groups and individuals. PAC spending in presidential elections has typically been higher in the general election, though 2016 saw greater primary election spending (perhaps due to the unconventional candidacy of Donald Trump). Individuals, on the other hand, give a good deal more in primaries than general elections for the whole period examined. Due to the large amount of early funding from individuals, presidential candidates receive the majority of funding during the nomination stage, when many more candidates are raising funds.

1 To distinguish between primary and general election giving I use Bonica’s election type indicator, which relies on the FEC’s categorization.
Individuals and groups appear to be spending more due to different causes. For individuals, the increase is driven mainly by a change in the number of donors and the amount that these donors contribute (see section 3). For groups, on the other hand, the increase in spending is driven mainly by an increase in outside spending following the 2010 Citizens United decision, which allowed for unlimited expenditures advocating for or against a candidate.

This can be seen in Figure 1.2, which shows the total amount contributed to or spent on behalf of all candidates in each election cycle (including both
congressional and presidential candidates). For individuals, independent expenditures have never comprised more than 1 percent of all their spending, but direct contributions have increased substantially over time. Direct contributions from PACs, on the other hand, have increased less sharply over time (with 2012 as an exception), while outside spending by PACs has increased substantially beginning in 2004. Outside spending for PACs peaks especially following *Citizens United* and, in 2014 and 2016, accounted for a greater proportion of PAC spending than traditional, direct contributions. The increase in PAC spending seen in Figure 1.1, then, is driven mainly by an increase in outside spending. Setting aside these expenditures, individuals since 1994 have comprised the majority of direct contributions in both congressional and presidential elections.
Figures 1.3.1a – d: Average Contributions to Candidates in Congressional Primary and General Elections. Depicts the average, inflation-adjusted amount contributed to incumbent (green), challenger (red), and open seat (blue) candidates in competitive and all primaries and general elections.
1.3 Trends in Financing at the Campaign Level

Incumbent politicians have been the biggest beneficiaries of increased campaign contributions, though challengers and open seat candidates have (on average) also received more contributions over time. Figure 1.3.1 shows the average amount contributed to each congressional candidate/campaign, based on the candidate’s incumbency status, in competitive primaries (a) and general elections (b). Here, competitive elections are defined as races in which the difference between the vote totals of the top two candidates was less than 20 percent. Figure 2A in the Appendix depicts the percentage of races classified as competitive each year, with an average of roughly 5-6 percent of all primaries and general elections classified as competitive. Focusing only on competitive races paints a better picture of the overall campaign environment, because non-incumbent candidates in uncompetitive races are less likely to raise large sums and because incumbents in uncompetitive races may raise large sums to pad their “war chest” or aid other candidates and the party. For the sake of comparison, however, plots (c) and (d) show the average contributions to all candidates regardless of the competitiveness of the race.

The most notable trend that emerges from these figures is that incumbents almost always outraise challengers and open seat candidates, regardless of the race (primary or general) and whether or not it is competitive. The only exception to this finding is in 2004, when candidates for open seats received, on average, slightly more than incumbents in general elections. Typically, challengers receive fewer funds than both open seat and incumbent candidates. Interestingly, until recently there are few predictable differences between candidates in competitive races and all candidates. The average candidate in a competitive general election has received slightly more money than the average candidate in all types of general elections, but the difference is not substantial until 2006. Since then, contributions to incumbents in competitive generals have outpaced contributions to incumbents in non-competitive generals. In fact, the 2016 elections saw a tremendous increase in early support for incumbents and a substantial decline in contributions to all types of candidates during the general election period.

As a final note, Figure 1.3.1 seems to indicate that donors contribute more to challengers and open seat candidates once they have reached the general election, which perhaps suggests that contributors are strategic in allocating their donations to likely winners (i.e. incumbents) even when the primary is competitive. Of course, such strategic giving would be expected more from access seeking group donors than more symbolic individual donors. To test this hypothesis, Figure 1.3.2 recreates the above plots for competitive congressional elections but separates individual donors from PAC donors. The plots suggest that individuals do not alter their contribution behavior much from the primary to the general election. PACs, on the other hand, are far more likely to support incumbents in competitive primary
elections and only give to challengers or open seat candidates in substantial sums once they have won their primary. Again, this suggests that PACs are traditionally unwilling to enter into contentious primaries where the winner is uncertain.

The fact that candidates of all types are raising greater sums of money means that the cost of winning a competitive congressional election has increased over time. This can be seen in Figure 1.3.3, which depicts the average amount raised by winning and losing campaigns from individuals and PACs. Unsurprisingly, winning campaigns raise a great deal more than losing campaigns. However, the cost of winning has increased dramatically over time, more than quadrupling from 1980 to
Even in 2014 and 2016, when the cost of winning dropped, the average successful campaign received more than twice as much inflation-adjusted money as the average winning campaign in 1980.

2. Group Contributors

The rise in PAC contributions and expenditures noted above has been driven, in part, by an increase in the number of PACs making contributions over time. Figure 2.1 shows the total number of active non-party, non-candidates committees in each cycle (a) as well as the number of new committees active in each cycle (b). The total number is broken down by PAC type, as classified by the FEC.
Figure 2.1: Unique and New PAC Donors, by Type. Depicts the number of unique, non-party and non-candidate PACs active in each election cycle (a) and the number of new PACs active in each cycle (b), by PAC classification.
The number of active PACs roughly doubled from 1980 to 2014, with a particularly large spike from 2010 to 2012. This increase correlates with the *Citizens United* decision and a flood of newly created PACs (see plot b as well as Figure 2.2.2 c). With regard to the types of active PACs, committees representing business interests or corporations have traditionally comprised the plurality, though membership/ideological groups became the plurality beginning in 2012. In fact, membership/ideological PACs have represented the plurality of new groups since 2004. This finding has important implications for political outcomes, as more ideologically extreme groups are now involved in elections.

2.2 Group Spending Trends

These membership/ideological groups are not only more numerous, but have also comprised an increasingly larger percentage of group spending since 2006. Figure 2.2.1 presents the percentage of committee spending (excluding party and candidate committees) coming from each type of group (due to gaps in early data, some spending prior to 2000 is unclassified). The plot shows that, following a decline in the late 1980s and early 1990s, spending by membership/ideological groups has increased substantially as a percentage of all committee spending. At the same time, spending by business, labor, and trade groups has remained flat or declined over the period examined. By 2010 business groups – which have historically spent the greatest cumulative amount on elections – were outpaced by

![Contributions and Spending by Committee Type](image)

**Figure 2.2.1: Spending by Committee Type.** Presents the percentage of non-party, non-candidate committee spending (direct contributions and outside spending) from each type of committee. Categorization of committees comes from FEC files.
membership/ideological groups as the single largest spender type. Again, this is likely to have important effects on which types of candidates enter and win races, with a tendency toward more ideologically extreme candidates and away from the more pragmatic moderates preferred by business interests.

Circumstantial evidence of the potentially disruptive impact of increased membership/ideological group spending can be found by examining support for different types of candidates. Figure 2.2.2 depicts the percentage of spending from each type of committee supporting Democrats (plot a) and incumbents (plot b). Plot (a) shows that, historically, membership/ideological groups have been roughly evenly divided in their support for Democrats and Republicans. At times, however, these groups have spent roughly 60 percent of their money in support of Republican candidates (e.g. between 2008 and 2012, perhaps due to a conservative backlash against Obama, embodied by the Tea Party movement). Thus, while it does not appear that conservative groups have swamped the campaign finance system, at certain salient times these groups have been relatively more active than their liberal counterparts.

Spending by corporate and trade groups has been more bipartisan, with candidates enjoying a slight advantage when their party controls Congress (e.g. more support for Republicans between 1996 and 2006). This fits with the notion that business groups are bipartisan access-seekers rather than partisan adherents. Finally, labor organizations have always demonstrated a preference for Democratic candidates, though since roughly 2008 they have become somewhat more bipartisan in their giving.

Support for incumbents (plot b) also hints at differing motivations for spending across group types. Corporate and trade groups have always demonstrated a strong preference for incumbents, again indicating an access-oriented giving strategy. Membership/ideological and labor groups, however, have become increasingly willing to support challengers and open seat candidates. To the degree that challengers and open seat candidates are more ideologically extreme than incumbents, the increasingly large sums of money that membership/ideological groups are spending on their behalf might represent one cause of increased polarization.

Finally, plot c presents the percentage of group spending classified as outside spending (independent expenditures and communication costs) rather than direct contributions. Business and trade interests spend the vast majority of their money on direct contributions to candidates, with a slight increase in corporate outside spending in 2012 and periods of higher outside spending by trade groups in 1986 and from 2000 to 2006. Labor groups, on the other hand, have become increasingly more likely to make independent or communication cost expenditures on behalf of the candidates they support, with outside spending exceeding or fairly equal to direct contributions since 2008. Outside spending by membership/ideological groups actually declined, from a majority to minority of all spending, from 1980 to
As total spending by these groups increased after 2008, however, the proportion of funds that went towards outside spending increased substantially. After the *Citizens United* decision, between 60 and 80 percent of all membership/ideological group spending was in the form of outside expenditures.

**Figure 2.2.2: Group Differences in Candidate Support and Spending Type.** Depicts the percentage of spending by each type of group supporting Democrats (a) and incumbents (b), as well as the percentage of spending on independent expenditures and communication costs (c).
3. Individual Contributors

Excluding independent expenditures, direct contributions from individuals have increased at a much faster rate than direct contributions from PACs. Figure 3.1 shows that this increase has been driven by an increase in the number of donors rather than an increase in the amount contributed by the average individual. At the same time, however, individual contributions are increasingly dominated by a select number of very large donors.

**Figure 3.1:** Individual Contributors. For presidential and congressional elections, depicts the number of unique individual donors (a), the average amount contributed by each individual throughout the cycle (b), a breakdown of individual contributors by contribution level (c), and the percentage of funds coming from donors at each of these levels (d).
First, plot (a) shows that the number of unique individual donors contributing to congressional and/or presidential candidates has skyrocketed from a low of 65,970 in 1982 to a high of more than 3.2 million in 2016. This represents a 487 percent increase in just 14 election cycles, with the largest increases concentrated in recent cycles. This dramatic jump likely reflects the fact that targeted advertising and Internet fundraising is now a mainstream component of campaigns and allows candidates to reach a much wider audience of potential donors.

However, as plots (b) and (c) show, these new individual donors are contributing fairly small amounts. First, plot (b) shows that the average total amount contributed (to any number of candidates) from each unique individual donor has declined sharply since 1982. In fact, the average individual contribution in 2016 was lower than any other point in this time frame. This finding suggests that the McCutcheon decision, which allowed for unlimited aggregate contributions by individuals, has not led to a campaign finance system flooded by large donors (but see Figure 3.2 below).

Plot (c) further illustrates this point. This figure plots the number of individual contributors at various strata of total contributions to candidates. The red line, representing individuals with total contributions less than $500, begins to outpace larger donors starting in 2008. While the number of donors contributing between $500 and $1,000 and between $1,000 and $10,000 has also increased over time, these groups have been far outpaced by small donors. And, importantly, the number of individuals contributing more than $10,000 has remained relatively stable and quite low over time.

3.2 The Influence of Large Individual Donors

However, Figures 3.1a–c simply display the number of individual donors and the average they contributed. Thus, it does not accurately capture the financial weight of large donors relative to smaller donors. For this reason, Figure 3.1d displays the percentage of all individual campaign funds coming from donors at various contribution strata. This figure shows that the importance of mid-range donors ($1,000 to $10,000 in total contributions) have declined in overall importance as large donors (more than $10,000 in total contributions) have become more prominent. The influence of these large donors peaked in 2012 – when they contributed the plurality of funds (roughly 45 percent) – and has ebbed slightly since then.

Figure 3.2 further highlights the importance of a small number of large donors by depicting the cumulative percentage of individual donations contributed (y-axis) by the top X percent of individual donors (x-axis) for select years. Thus, a line that rises more quickly and steeply indicates that a higher percentage of all individual donations come from a smaller percentage of all individual donors. Indeed, this is the trend that emerges over time. In 1980, the top 25 percent of all
Figure 3.2: Percentage of Funds From Top Donors. Plots the percentage of all individual donations to congressional and presidential candidates (y-axis) coming from the top X percent of all individual donors (x-axis) for select years.
donors contributed roughly 58 percent of all individual funds, while the quartile containing the smallest donors contributed only about 10 percent of all funds. By 2010, however, the top 25 percent of donors gave nearly 85 percent of all funds; in that same year, the bottom quartile of donors gave less than 1 percent of all funds. In 2016, the dominance of large donors is even more pronounced, with the top 5 percent of donors giving approximately 61 percent of all funds, the top 25 percent giving 90 percent, and the bottom quartile of donors giving less than 0.6 percent. This trend – towards a system dominated by a small number of heavyweight donors – suggests that reformers’ fears about undue elite influence in elections may be founded, even as the number of small, everyday donors continues to rise.

4. Campaign Expenditures

Campaign expenditures by groups and campaigns have grown alongside contributions, as candidates now have access to larger and larger sums of money. Unfortunately, data on campaign expenditures is limited by two factors. First, the FEC only began collecting comprehensive data on expenditures in 2006, prohibiting analysis of longer-term trends. Second, the categorization of types of expenditures has a tremendous amount of missing data. Because expenditure forms offer an open-ended response regarding the type of activity money was spent on, there is a great deal of variation across campaigns in terms of how they classify expenditures. The FEC has attempted to classify these open-ended responses according to their own scheme, but this categorization is incomplete due to the labor it requires (see Figure 4.1.3 below).

Despite these limitations, comprehensive data on total expenditures (of all types) since 2006 is available. Figure 4.1.1 summarizes this data in three ways. First, plot (a) depicts the total, inflation-adjusted expenditures in federal elections by any type of spender (candidates, committees, parties, and individuals). Not surprisingly, spending spikes by roughly $1.5 to $2 billion in presidential years and returns to roughly $3 billion in non-presidential cycles. Additionally, the red ‘best fit’ line shows that expenditures have been trending upwards since 2006.

Importantly, this increase seems to be driven mainly by outside groups and individuals rather than candidates. Plot (b) depicts the total expenditures by candidates and the committees directly associated with them (i.e. formal campaigns). For both presidential and congressional campaigns, total expenditures have been trending down since a high in 2008 (for presidential campaigns) and 2010 (for congressional campaigns). Thus, spenders outside formal campaigns seem to be driving the increase in total expenditures by all types of actors (plot a). This might suggest that campaigns are increasingly willing to allow unaffiliated outside spending groups to campaign on their behalf, or simply that outside groups have surpassed traditional campaigns in their fundraising and spending efforts.
Even though total spending by formal campaigns is declining, the average amount spent by each campaign has actually increased (see plot c). This increase is especially pronounced for presidential campaigns which, on average, spent 45 percent more in 2016 than they did in 2008. For congressional campaigns the increase from 2006 to 2016 is much lower at roughly 3.2 percent. These increases – especially in presidential campaigns – suggest that, even as total campaign spending has decreased, the most well funded campaigns are spending increasingly more, driving the average campaign expenditure level up.

Figure 4.1: Total and Average Expenditures. Depicts the total inflation-adjusted amount spent in federal elections by all actors (a), the total amount spent by campaigns directly associated with a candidate (b), and the average amount spent by each campaign (c).
Figure 4.2: Expenditures by Type. Depicts the total, inflation-adjusted amount spent by congressional (a) and presidential (b) campaigns, by category, for all classified expenditures. These figures do not include the large sum of money that
4.2 Types of Expenditures

As noted above, data on the types of expenditures is highly incomplete. For congressional campaigns, an average of 76 percent of all expenditures are unclassified from 2006 to 2016 (figure not included). For presidential campaigns, a full 97 percent of spending is unclassified. The following figures must be viewed in light of these low categorization rates. If there is some systematic factor that drives whether or not an expenditure is classified by the FEC, then the ratios between different types of spending may be skewed.

With this in mind, Figure 4.2 breaks down total, inflation-adjusted expenditures by type for those records that have been classified. Plot (a) shows the allocation of expenditures by congressional campaigns, which during the period examined have allocated the greatest sum of classified expenditures to administrative, salary, and overhead expenses. This type of spending more than doubled from 2008 to 2012, with a slight decline in 2014 and 2016. Advertising expenses make up the second largest category and also peaked in 2012, followed by solicitation and fundraising expenses. Spending on campaign events, polling, and travel is relatively low, though travel expenses increased somewhat in 2016.

Expenditure allocations for presidential campaigns can be seen in plot (b). This figure seems, more than plot (a), to suffer from missing data that is not evenly distributed across spending types and years. As a result, there are few trends that emerge, and those that do (e.g. an increase in administrative/salary/overhead expenses) are potentially inaccurate.

4.3 Advertising Spending by Type

Of particular interest in recent elections is the allocation of advertising spending to traditional versus digital media outlets. Unfortunately, there is no systematic, publicly available data on the breakdown of campaign advertising spending by medium. However, several private advertising firms have published their own estimates of advertising spending by type. To the degree that these reports are accurate, we can assess trends (in recent years) in spending on traditional versus Internet advertising.

Figure 4.3.1 presents the breakdown of advertising spending at the local, state, and federal level since 2008, as reported by Nomura Securities. Because the report was published before the conclusion of the 2016 election, the values for 2016 represent estimates (these estimates can be compared to the actual 2016 values in Figure 4.3.2). The most notable trend in this figure is the predicted increase in broadcast advertising spending, though actual 2016 figures show that broadcast spending did not increase from 2012 (at least in presidential elections; see Figure 4.3.2). Cable and digital media spending also increased over time. This is especially
Figure 4.3.1: Campaign Advertising Expenditures by Medium. Depicts total advertising expenditures, by type of medium, at the local, state, and federal level. 2016 figures represent estimates. 

Figure 4.3.2: Advertising Expenditures in Presidential Elections by Medium. Depicts the percentage of presidential election advertising expenditures by advertising medium. 
true for digital spending, which increased from roughly $20 million in 2008 to an estimated $1 billion in 2016. Cable spending increased from roughly $470 million in 2008 to a predicted $1.1 billion in 2016.

Figure 4.3.2 presents similar data from a 2017 Borrell Associates report. This data is more limited in its timeframe (2012 and 2016), but it has the benefit of providing actual rather than predicted 2016 totals. The report shows that total advertising spending marginally increased from 2012 (roughly $9.4 billion) to 2014 (roughly $9.8 billion), though the allocation of spending across advertising mediums changed substantially. First, broadcast television spending declined from approximately 58 percent of all advertising spending to 45 percent. Other traditional forms of media – like radio and newspapers – declined slightly, while direct mail and telemarketing remained roughly the same from 2012 to 2016. The most striking trend, however, has been towards greater digital spending and, to a lesser degree, increased cable spending. From 2012 to 2016, spending on digital ads rose nearly 800 percent, from 1.7 percent of all spending to 14.4 percent in 2016. The Borrell report estimated that roughly half of this digital spending would be spent on target social media ads, though this represents a prediction rather than actual figures.
Data Appendix

Here I describe any manipulations of the original data used in this report. Any minor differences between the estimates reported here and those reported by other sources are likely due to these decisions. However, a comparison of the estimates in this report to other reputable sources (e.g. the FEC and the Center for Responsive Politics) demonstrates that any differences are typically less than 1 percentage point, suggesting that the figures presented here are externally valid.

Section 1:

The data on general trends in campaign contributions and costs comes from Bonica’s DIME database. Because this data contains detailed financial records at the federal, state, and local levels, the full datasets were restricted to federal elections for the analysis in this report. Specifically, only records documenting contributions or outside spending from individuals or non-candidate, non-party committees to candidates and their committees were retained. Excluding contributions from candidate/party committees to other candidates avoids double counting, where money given to a candidate/party committee by an individual or group donor is then recorded again as it flows out to another candidate. Thus, unless otherwise noted, any reference to PAC, group, or committee donors refers to non-party, non-candidates traditional PACs as well as Super PACs and other outside spending entities.

Additionally, certain types of transactions between donors and candidates were excluded to avoid double counting or to remove money not flowing to candidates. Generally, the types of transactions removed include contribution refunds; contributions to convention accounts, recount accounts, and headquarters accounts; and contributions that were documented once when they entered an intermediary account and again when they were passed on to the final recipient (in this case, the latter record was retained but the first record was excluded)\(^2\). For

\(^2\) The FEC’s Transaction Type coding scheme can be found [here](#). For individuals, the specific excluded transaction types were codes 20Y, 21Y, 22Y, 40T, 40Y, 41T, 41Y, 42T, and 42Y (refunds), code 15T (transfers in to intermediary account), and, in 2016, codes 30 and 30T (contributions to convention accounts), codes 32 and 32T (recount accounts), and 40T and 40Y (headquarters accounts). For PAC contributors, the following transactions were removed: code 15C (contributions from candidates), codes 16C, 16R, 20C, and 22H (loans to candidate committees and loan repayments); contribution refunds (codes 22Y and 22Z); and election recount contributions (code 24R). Additionally, to avoid double counting, transfers in and out of affiliated committees were excluded (see codes 18G and 24G); only transfers out to the intended recipient (of the initial contribution) were included (codes 24I and 24T).
figures distinguishing between direct and indirect expenditures, *outside spending* is defined as all electioneering communications, independent expenditures, and communication costs advocating for or opposing the election of a candidate\(^3\). All other included codes are classified as direct contributions.

In the figure presenting the average amount needed to win an election, it should be noted that *loans* to a campaign are excluded from these averages. Thus, the plot might underestimate the amount of money needed, on average, to win an election. However, it provides an accurate reflection of the amount of contributions and outside spending from individuals and groups that winning campaigns attract.

*Section 2:*

Data on group spending trends comes from FEC and Open Secrets data rather than Bonica’s database. Because original FEC data on group types is incomplete (and therefore so is the Bonica data), I merged Open Secrets PAC categories into the original FEC contribution records. In most years, this resulted in a high rate of group classification – since 2000 in particular every group has been classified. For simplicity, I have combined several of these codes into single categories. Specifically, I combined corporate groups (code C) and cooperatives with and without capital stock (codes V and W) into a single category – Corporate/Cooperative – representing business interests. Additionally, I combined the FEC’s “membership” group category (M) with Open Secrets’ “ideological” group category (I) into a single category representing membership/ideological organizations (these two classifications represent roughly the same types of groups but are simply named differently).

To calculate the percentage of funds coming from each group category, I excluded party and candidate committee contributions/spending and then aggregated transactions by group type. The data includes both congressional and presidential transactions, when applicable. Candidate level data on party affiliation and incumbency comes from a combination of FEC and Open Secrets coding, with third party candidates and candidates with unknown incumbency status dropped prior to the percentage calculations. Outside spending is again defined as independent expenditures, communication costs, and electioneering communications.

*Section 3:*

Data on individual contributors comes from the DIME database. This data is unique in that it attempts to provide a single identifier for each individual donor within and across election cycles. Thus, I am able to accurately identify the number

\(^3\) FEC outside spending codes include 19, 24A, 24E, 24F, 24N, and 29.
of unique individual donors and aggregate the total amount they contributed in a
given cycle. These aggregates include all direct contributions from individuals to
candidates as well as the extremely rare outside spending on behalf of/opposing a
candidate.

Section 4:

Data on operating expenditures comes from the FEC. These files contain all
spending by individuals, groups, candidates, and parties. Examples of expenditures
include utility payments, staff salaries, media buys, campaign literature printing,
and candidate travel. As noted in the report, the coding of expenditures by type has a
great deal of missing data. When committees file expenditure reports they fill in an
open-ended form that explains what the money was spent on, but there is
tremendous variation in how different committees report the same type of
spending. The FEC has created a simplified coding scheme (found here) but has not
had the resources to implement this code for most records. Thus, while we have
good data on the total amount spent by various actors, we are less certain regarding
what they spent this money on.

The figures reporting total and average expenditures include either all
spending by committees, individuals, and parties (Figure 4.1a) or all spending by
candidates and their affiliated campaign committee(s) (Figure 4.1b and c). For non-
candidate committees, all outside spending and contributions are excluded, though
contributions from one candidate committee to another are included as campaign
expenses. Figure 4.2, which breaks down spending by type, includes only
expenditures from candidates and their campaign committees. Again, this data
should be viewed with some skepticism, as it is highly incomplete. Data on
advertising expenditures (Figure 4.3) comes directly from statistics provided by
industry reports (see report for citations).
## Contributions and Expenditures to Candidates

<table>
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<th>PACs to Congressional Candidates</th>
<th>Individuals to Presidential Candidates</th>
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**Table 1A:** Table, Total Contributions and Outside Spending by Donor Type. Depicts underlying data from Figures 1a and b.
Because the increase in contributions and independent expenditures has followed roughly the same pattern for House and Senate candidates, the figures in
this report present aggregate results for congressional candidates. However, there are several notable differences between House and Senate races. First, taken together, House candidates raise roughly 1.5 times as much money as Senate candidates (see plots a and b) in any given year. This disparity is driven entirely by the fact that there are significantly more candidates in elections for the House than there are in elections for Senate seats. In fact, the average Senate campaign attracts significantly more money than the average House campaign (see plot c).

![Frequency of Competitive Races](image)

**Figure 2A: Competitive Primary and General Elections.** Depicts the percentage of all primary and general elections in a given cycle classified as competitive, defined as a race in which the difference in vote totals between the top two candidates is less than 20 percent.